Social Mobility and Inequality at the Creation of the American Republic

An understanding of the distribution of wealth is inextricably linked to any examination of how wealth levels changed over time. Wealth levels reveal economic growth, while the distribution uncovers who benefited. Perhaps most importantly, the distribution of wealth is useful in explaining why wealth levels changed by isolating which groups were most affected. If the benefits of economic growth accrued only among the wealthiest taxpayers then national estimates might present a misleading portrait of the American economy. If the benefits were diffused more broadly the data disclose a very different story. Observing how the distribution of wealth changed in the early republic is particularly important, as many historians emphasize the period as the time in which regional economies became more distinct and the country experienced the beginnings of industrialization. Over the course of fifty years, the American economy transformed from a loose collection of colonies to a unified nation capable of financing a second war with Great Britain. As Cathy Matson has observed, "in the face of mounting evidence that standards of living rose … we still do not know much about who enjoyed the benefits of economic maturation or how the rates of growth compared from place to place."[1] This paper uses state property tax records to measure social mobility and inequality after the American Revolution. Property tax records from this period provide a detailed survey of taxpayers' assets that can be used to reconstruct household wealth. Despite falling average wealth levels, Americans experienced significant economic mobility after the American Revolution.

[1] Cathy Matson, "A House of Many Mansions: Some Thoughts on the Field of Economic History" in Cathy Matson ed. *The Economy of Early America: Historical Perspectives & New Directions* (University Park, PA: Pennsylvania State University Press, 2006), 19.

This paper builds upon the work of Gregory Clark and others by examining social mobility and inequality in the decades following the American Revolution.[2] By treating surnames as distinct economic groups, Clark succeeded in identifying rates of mobility and persistence across generations by measuring levels of wealth and income over the long run of history. While Clark inspected American mobility among licensed physicians and attorneys in the twentieth century, this paper uses a comprehensive survey of state property tax records to measure change in the Early American Republic. The sample comprises the taxable wealth of 72,682 taxpayers at ten year intervals, including the wealth of 2,599 individuals whose names can be matched definitively between decades, along with 7,431 non-unique surnames with which Clark's method can be employed to study social mobility. Examining wealth by surname in the Early American Republic allows us to consider rates of social mobility among various ethnic groups and to identify wealth holding patterns among British, German, Irish, and other migrant populations. Tracing patterns of wealth holding in the decades following the American Revolution will allow us to consider whether or not the economy provided opportunities for advancement at the dawn of the republic.

The preliminary results also challenge claims made by Thomas Piketty.[3] Piketty argues that Early-American wealth holding was patterned on the Jeffersonian ideal of the small farmer until rapid industrialism initiated growing disparities in wealth and income in the late-nineteenth century. This paper finds that American wealth was much more unequally distributed in the early republic than previous historians have suspected, and demonstrates that the level of inequality began rising long before the Gilded Age. Slavery and the growth of plantation agriculture in the

[2] Gregory Clark, *The Son Also Rises: Surnames and the History of Social Mobility* (Princeton: Princeton University Press, 2014), 1-18.
[3] Thomas Piketty, *Capital in the Twenty-First Century* translated by Arthur Goldhammer (Cambridge: Harvard University Press, 2014), 17.

early nineteenth century were the driving factors behind elevated levels of inequality in many states, as average farm size increased and slave owners acquired more and more slaves. At the same time, the distribution of wealth and average wealth levels exhibited significant regional variation. The results call into question whether Piketty's claims of rising inequality were unique to the twentieth century, and whether capital intensive industry proved to be the culprit. The tax records also reveal the economic consequences of the American Revolution, and the data confirm Peter Lindert and Jeffrey Williamson's contention that national real wealth declined substantially as a result of the American Revolution.[4]

Tax records provide an ideal source for measuring changes in the Early-American economy, as property taxes record annual assessments on the most significant components of a taxpayer's portfolio. Although tax regimes varied from state to state, tax collectors in the early republic regularly assessed property that would have encompassed more than eighty percent of total physical wealth.[5] Two of the most important studies of early American wealth include Alice Hanson Jones's analysis of probate inventories for 1774 and Lee Soltow's investigation of the 1798 federal direct tax.[6] Jones used an unbiased sample of probate inventories to sample the 919 wealth holders to provide a comprehensive estimate of American wealth holding on the eve of the Revolution. Soltow used aggregates from the 1798 Direct Tax along with samples from the surviving returns to examine the wealth of 25,975 taxpayers.[7] Unfortunately Soltow could not

[4] Peter H. Lindert and Jeffrey G. Williamson, *Unequal Gains: American Growth and Inequality Since 1700* (Princeton: Princeton University Press, 2016), 10.
[5] Frank Garmon Jr., "State Taxes, Wealth, and Public Finances after the American Revolution, 1783-1815" (PhD Dissertation: University of Virginia, 2017), 41; Alice Hanson Jones, *Wealth of a Nation to Be: The American Colonies on the Eve of the Revolution* (New York: Colombia University Press, 1980), 90, 128.
[6] Alice Hanson Jones, *American Colonial Wealth: Documents and Methods* Three Volumes (New York: Arno Press, 1977); Alice Hanson Jones, *Wealth of a Nation to Be: The American Colonies on the Eve of the Revolution* (New York: Colombia University Press, 1980); Lee Soltow, *Distribution of Wealth and Income in the United States in 1798* (Pittsburgh: University of Pittsburgh Press, 1989)
[7] Soltow sampled the individual records from sixty-two of the surviving counties. The author also constructed a second dataset from the 574 known aggregates from seventeen states, "plus allocated aggregates for the 113 counties

obtain an unbiased sample because relatively few of the 1798 returns have survived.[8] As a result, his sample is biased towards urban populations, and Soltow relied on the aggregate totals rather than individual records for several states.[9] Because the direct tax assessors recorded each type of property on a separate list, Soltow chose to use only the lists of real estate valued less than $100.[10] State property tax records are more comprehensive and hold clear advantages over traditional sources. Jones and Soltow took more than a decade to complete their projects using punch cards and tabulating the data by hand.[11] State property tax records have survived with greater completeness than the federal direct tax returns, and are easier to tabulate than probate inventories. Although both Jones and Soltow's studies provide accurate national wealth estimates for select years, the studies have a number of limitations that prevent their use in examining regional variation and changes in wealth holding patterns over time.

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in the three states where there is incomplete detail." Those three states were North Carolina, South Carolina, and Georgia. Since Soltow completed his study, additional returns relating to the 1798 Direct Tax have surfaced. A few typographical uncertainties in Soltow's work have left some confusion as to the number of records sampled. Soltow mentions 359 counties on page 3, but notes that there were 357 counties in existence on page 37. Soltow notes that his sample included 25,975 taxpayers and 43,245 properties on page 37 and 39. On pages 38 and 40, however, Soltow reports a sample of 45,400 properties and 28,044 owners. Additionally, Soltow mentions 40,000 property owners and 60,000 properties on page 3. Soltow, *Distribution of Wealth and Income in the United States in 1798,* 3, 37-40, 295n, quotation 37.

[8] For an overview of the surviving 1798 lists and their location, including records discovered after Soltow published his study, see Judith Green Watson, "A Discovery: 1798 Federal Direct Tax Returns for Connecticut," *Prologue* 39, no. 1 (spring 2007), online [accessed 18 February 2016] http://www.archives.gov/publications/prologue/2007/spring/tax-lists.html

[9] Soltow notes that "[m]y samples had to be drawn from those extant sets I was able to find in various archives; to be sure, I do not claim that the data are representative of the country as a whole, particularly since they tend to overrepresent urban areas." Soltow grouped the surviving records into seven regions and then took the weighted average of the results for each region to produce estimates for the whole country. Soltow, *Distribution of Wealth and Income in the United States in 1798,* 262-264, quotation 262.

[10] Soltow did not include slaves in his inequality estimates, but noted that slaves accounted for approximately twenty percent of the value of real estate. Housing valued at $100 or more accounted for 23% of total wealth in 1798. Soltow, *Distribution of Wealth and Income in the United States in 1798,* 44; Soltow, "Wealth Inequality in the United States in 1798 and 1860" *Review of Economics and Statistics* 66, no. 3 (August 1984), 446n.

[11] Jones had to find population figures, age distributions, exchange rates, mortality rates, and prices for Charleston and North Carolina before analyzing her sample. To collect the records, Jones had to visit county courthouses and correspond with probate judges in each county. Jones had to make a number of adjustments to her sample and introduce weights to estimate the wealth of the living, and she employed regression analysis to estimate certain wealth items for inventories that were less complete.

There are a number of reasons to suspect that American incomes might have declined and to explain why Americans might have been less wealthy in the decades following the Revolution. The war was destructive. Armies consumed livestock and Lindert and Williamson note that battlefield casualties might have caused the free labor force to shrink by as much as five percent. Thousands of slaves escaped to British lines, limiting plantations' productive capacity once the war ended. The war also interrupted traditional trade routes. When hostilities concluded, a backlog of harvested crops reached export centers all at once, driving down the prices for many agricultural products. Postwar trade remained disrupted and the value of American exports collapsed. The British severed direct American trade with the West Indies, and American trade with England in 1791 was less than half of what it had been in 1771. Americans no longer enjoyed the protections or the subsidies that came with being a part of the British Empire. Many farmers complained of poor harvests in the immediate postwar years as a result of weather. Onerous taxes and persistent deflation only added to the economic burdens facing the American economy in the 1780s.[12]

Table 1: *Average Wealth by State and Year (Weighted in Real 1800 Dollars)*

	1785	1795	1805	1815
United States	$1,302.83	$1,269.37	$916.02	$821.10
New York	$4,317.27[1]	$2,668.54[1]	$947.68	—
Pennsylvania	$849.42	$952.96	$909.89	$675.75
Virginia	$1,552.76	$943.16	$872.64	$1,081.33
Massachusetts	$1,922.14	$1,278.83	—	$1,050.62
North Carolina	$698.42	$722.52	$670.96	$608.41
Kentucky	$309.41[2]	$3,340.66	$1,124.97	$880.17
Ohio	—	—	$890.49	$633.42
Connecticut	—	$973.75	$845.72	$1,110.40
Maryland	—	$625.99	$1,387.21	$1,415.33
Maine	$895.79	$719.92	$646.94	$881.44

[1] The figures from New York for 1785 and 1795 include only New York City, which was among the wealthiest counties in the country. Unfortunately, records from other New York counties have not survived.

[12] Lindert and Williamson, *Unequal Gains*, 87-90.

[2] The surviving tax lists from Kentucky for 1785 do not include land, which accounted for more than 67.3% of the wealth in that state for the years 1795-1815.

The data suggest that economic growth was uneven in the early republic, and indicate that national growth rates were possibly negative. All the of observations suggest lower averages than the one reported by Jones, but the records for 1795 suggest an average wealth level that is very close to Soltow's estimate for 1798. Average wealth fell by nearly 1.3% per annum between 1774 and 1815. Taxpayers in nearly every state reported owning fewer assets on average in 1815 than they had forty years before. The most dramatic drops in real wealth occurred between 1774 and 1795 when wealth levels fell by more than twenty percent for two successive decades. The data suggest that both the American Revolution *and* the postwar years under the Articles of Confederation were incredibly disruptive for the American economy. That the averages continued to fall into the nineteenth century is remarkable. Nearly all economic historians point to the 1790s and especially the early-nineteenth century as a time of economic prosperity and rising living standards.[13] Unlike the economy in the late-eighteenth century, the early-nineteenth century has faced closer scrutiny by economic historians interested in uncovering the timing for industrialization.

Disaggregating the component parts of the wealth distribution into deciles provides an indication of how various classes fared over the course of the early republic. It should be emphasized that Table 1 does not follow the fortunes of individual taxpayer, only the relative shares of wealth possessed by each decile. The table does not imply that those at the bottom of

[13] Louis D. Johnston and Samuel H. Williamson, "What Was the U.S. GDP Then?" Measuring Worth (2017), https://www.measuringworth.com/usgdp/ (Accessed June 5, 2017); Richard Sutch, "Gross domestic product: 1790–2002," Table Ca9-19 in *Historical Statistics of the United States, Earliest Times to the Present: Millennial Edition,* edited by Susan B. Carter, Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright (New York: Cambridge University Press, 2006), 3:23, 3:27-28; Joseph H. Davis, "An Annual Index of U.S. Industrial Production, 1790-1915" *Quarterly Journal of Economics* 119, no. 4 (November 2004), 1177-1215.

the wealth distribution withered in poverty. They may have improved their fortunes over the course of their lives. Likewise, the table does not prove that the wealthiest taxpayers preserved their fortunes. An individual taxpayer might have moved between several economic ranks over the course of his lifetime. Instead, the table reveals how the social structure changed over time and gives an indication of which classes were most affected by the vicissitudes of the American economy. The distributions produced by Jones and Soltow appear skewed toward the poorest and richest wealth holders respectively as a result of differences in their source base. Because Jones only sampled wealth holders from the probate inventories, her sample does not include individuals with zero assets. As a result, Jones' social table appears more equitably distributed. The figures from Soltow appear skewed toward the wealthiest taxpayers for a similar reason. Soltow included the value of all land and real estate in his sample, but not all taxpayers were landowners. Even landless taxpayers might have owned some livestock or other assets that might appear in state property tax records.

Table 2: *Value (Upper Bounds) and Percentage Share of Total Wealth, 1785-1815*

	1774 (Jones)[1]	1785	1795	1798 (Soltow)	1805	1815
Poorest 10%	70.49 (0.2)	0 (0)	0 (0)	— (0)	12.00 (0.02)	0 (0)
Second Decile	125.15 (0.6)	43.50 (0.19)	37.17 (0.12)	— (0)	60.00 (0.38)	43.50 (0.29)
Third Decile	217.16 (1.0)	117.29 (0.59)	133.00 (0.56)	— (0)	151.48 (1.15)	124.17 (0.92)
Fourth Decile	402.56 (1.8)	218.31 (1.25)	267.49 (1.62)	— (1)	252.85 (2.24)	210.31 (2.09)
Fifth Decile	765.06 (3.1)	372.04 (2.28)	475.32 (2.88)	— (2)	375.00 (3.41)	323.55 (3.11)
Sixth Decile	1,232.71 (5.9)	630.29 (3.77)	736.64 (4.68)	— (4)	543.00 (5.00)	458.07 (4.63)
Seventh Decile	1,672.01 (8.2)	1,075.80 (6.31)	1,092.67 (7.20)	— (7)	790.00 (7.16)	717.30 (7.06)
Eighth Decile	2,309.15 (11.3)	1,727.87 (10.55)	1,671.95 (10.93)	— (11)	1,141.00 (10.31)	1,090.14 (10.55)
Ninth Decile	4,215.75 (17.2)	3,430.11 (18.46)	2,866.20 (17.29)	— (16)	1,828.00 (15.84)	1,956.76 (17.60)

99th Percentile (Top 10%)	14,026.13 (50.7)	11,852.57 (56.61)	12,759.56 (54.72)	— (58)	9,633.00 (54.48)	8,212.63 (53.75)
Top 1%	12.9%	15.37%	20.03%	19%	21.40%	16.62%

Sources: Soltow did not record the valuations for each decile, and he rounded his figures to the nearest whole percent, see Jones, *Wealth of a Nation to Be,* 164-165; Soltow, *Distribution of Wealth and Income in the United States in 1798,* 172.

[1] Jones's valuations are for the lower bounds of each decile. I have calculated the upper bounds to match my data by subtracting 0.01 from the next decile for each of Jones' figures and converting her estimates to real 1800 dollars.

Declining real wealth levels disproportionately affected taxpayers in the top ten percent and presented new opportunities for individuals in the lower ranks of the distribution. Thomas Piketty made a similar case for American incomes in the mid-twentieth century, arguing that the Great Depression and the Second World War placed downward pressure on American incomes but exerted added influence on top earners. The consequences of the American Revolution and the War of 1812 appear to have most affected those in the top ten percent of wealth holders, and their share of total wealth eroded gradually over the course of the early republic. At the same time, the proportion of wealth controlled by taxpayers in the seventh, eighth, and ninth deciles appears remarkably consistent over the course of the period, suggesting that taxpayers with above average fortunes succeeded in securing their wealth. While trade disruptions and economic instability would have been precarious for the wealthiest merchants and land speculators at the top of the distribution, the established landholders that dominated the upper wealth brackets demonstrated greater stability. While the poorest decile showed no marked improvement, taxpayers with wealth levels below the median exhibited rising prospects. The proportion of wealth controlled by the bottom fifty percent of taxpayers increased by nearly fifty percent between 1785 and 1815. The data hint at greater economic mobility in the early republic than previous historians have suggested.

The data point to significant volatility for the fortunes of the wealthiest Americans. Lindert and Williamson describe this phenomenon as "a crisis at the top." The authors argue that

wealthy and more established port cities were most deeply affected by trade shocks and the disruptive effects on the labor market.[14] Trade interruptions and wartime instability would have understandably affected wealthier merchants and planters at greater rates than their poorer neighbors, but the economic effects appear to have been more widespread than Lindert and Williamson suggest. If worsening economic conditions affected all classes equally, we might expect the number of taxpayers with zero wealth to be rising. A rising proportion of property less taxpayers could explain why average wealth levels fell so dramatically while median wealth remained stable. The proportion of taxpayers without any taxable assets does not appear to have risen significantly. Only 12.4% of taxpayers had zero assets in 1785, compared to 15.4% in 1795 and 1805, and 14.5% in 1815. Instead, average wealth levels declined in the early republic primarily because taxpayers with large fortunes experienced tremendous volatility in their portfolios. The nineteenth century historian, Richard Hildreth, described the economic upheaval of the Revolution by noting that a "large portion of the wealthy men of colonial times had been expatriated, and another part had been impoverished … in their place a new moneyed class had sprung up."[15]

Evidence from the wealthiest taxpayers suggests tremendous economic mobility in the early republic. Table 3 contains the wealth information for the twenty wealthiest taxpayers in the sample whose assets can be traced for more than one year. The table presents a window into the lives of some of the wealthiest American households, and illustrates the life cycle of American wealth. Edward H. Robbins served as Massachusetts Speaker of the House and as Lieutenant Governor. Robbins appears in the 1784 tax list for Milton, Massachusetts at the age of twenty-six

[14] Lindert and Williamson, *Unequal Gains,* 89-90.
[15] Richard Hildreth, *The History of the United States of America* (New York: Harper & Brothers Publishers, 1849-1852), 3:465-466.

owning twenty three acres of land, one horse, and £4,398.34 loaned at interest. His investments had paid off handsomely eight years later. In the tax list for 1792 Robbins was thirty-four years old and reported owning 487 acres of land, three dwelling houses, ships and vessels weighing eighty three tons, four horses, six oxen, forty head of cattle, and sixteen hogs. His lands produced 250 bushels of corn, 150 bushels of barley, sixty-eight tons of hay, and forty-five barrels of cider. The following year he would become Speaker of the Massachusetts House of Representatives.

Table 3: *The Twenty Wealthiest Taxpayers with Multiple Observations in the Sample*[1]

	1785	1795	1805	1815
Robert Carter (Westmoreland Co., Virginia)	$107,071.80	$12,062.53	—	—
John Breckenridge (Fayette Co., Kentucky)	—	—	$67,707.15	$82,602.80
John Bradford (Fayette Co., Kentucky)	—	$65,291.36	$42,189.84	—
John Kinsman (Trumbull Co., Ohio)	—	—	$12,774.50	$63,422.46
John Carter (Fayette Co., Kentucky)	—	$3,833.99	—	$56,000.00
Henry Payne (Fayette Co., Kentucky)	—	$44,800.00	—	$21,385.39
Elias Perkins (New London, Connecticut)	—	—	$2,564.76	$44,408.70
William Davis (Bourbon Co., Kentucky)	—	$111.51	$40,880.00	—
William Kenyon (New York, New York)	—	$2,484.04	$39,683.00	—
Daniel Wadsworth (Hartford, Connecticut)	—	$551.23	$32,280.29	—
Calvin Austin (Trumbull Co., Ohio)	—	—	$1,988.19	$30,099.35
Edward H. Robbins (Milton, Massachusetts)	$4,558.52	$27,900.97	—	—
Moore Fauntleroy (Richmond Co., Virginia)	$26,820.99	$6,276.17	—	—
John Russ (Hartford, Connecticut)	—	—	$217.86	$25,999.04
Judson Canfield (Trumbull Co., Ohio)	—	—	$22,813.50	$20,654.51
Elisha Berry (Prince George's Co., Maryland)	—	$2,156.65	$22,383.63	—
John Jones (New York, New York)	—	$14,331.00	$22,300.00	—
William Robinson (Westmoreland Co., Virginia)	—	$20,862.61	$7,421.20	$639.97
Peter Stuyvesant (New York, New York)	—	$20,063.40	$7,750.00	—
Edward Chambers (Lunenburg Co., Virginia)	—	—	$13,068.96	$18,911.51

[1] The taxpayers listed in the table are not the wealthiest taxpayers in the sample, but they are the wealthiest for which we have more than one observation point. I have omitted taxpayers for which the only duplicate observation was from Kentucky for 1787, as the tax records for this year understate wealth by failing to include land.

Robert Carter III was a wealthy planter on Virginia's Northern Neck. We might expect Carter's wealth to have declined from his decision in 1791 that he would begin manumitting his 450 slaves, however, the tax list for 1795 reveals that his plantation continued to retain a large number of slaves. Instead, Carter's wealth declined from the sale of land. Carter owned 31,580

acres of land in 1785, but only 2,227 acres in Westmoreland County in 1795. Carter had removed to Baltimore in 1793 in response to numerous threats and harassments from his neighbors, which may explain his decision to liquidate some of his acreage.[16] The entries in the tax records for Robert Carter reveal one of the limitations of using tax records to examine the wealth of individual taxpayers. Although the sale of land is reflected in the tax lists, the money Carter received for the transaction is not. A landowner who sold acreage at a profit might appear to have lost wealth in the tax records. Such transactions would balance out in the aggregate, however, as the taxpayer who purchased Carter's tracts would appear in the tax records, but the money used for the purchase price would not.

Many of the other taxpayers among the top wealth holders rose to national or regional prominence. John Breckenridge served in the state legislatures of both Virginia and Kentucky, as a U.S. Senator, and as Attorney General in Thomas Jefferson's cabinet. He owned sixty seven slaves and 10,800 acres of land in 1805. Breckenridge died in 1806 and the entry in the tax lists for 1815 likely refers to his son by the same name.[17] John Bradford was an early settler and printer who founded the *Kentucky Gazette* in 1787.[18] John Kinsman and Judson Canfield each purchased land in Ohio from the Connecticut Land Company and founded the towns of Kinsman and Canfield respectively. Elias Perkins and John Russ each served in the Connecticut state legislature and in the House of Representatives.

Table 4: *Panel Regression of Lagged Wealth on Wealth (Weighted)*

Variables	(1) Lagged Wealth	(2) New England	(3) Mid-Atlantic	(4) Chesapeake	(5) West
Independent Variable	0.46 (20.76)***	0.74 (22.29)***	0.51 (5.0)***	0.23 (9.35)***	0.72 (5.43)***

[16] Andrew Levy, *The First Emancipator: The Forgotten Story of Robert Carter, the Founding Father Who Freed His Slaves* (New York: Random House, 2005), xi; Louis Morton, *Robert Carter of Nomini Hall: A Virginia Tobacco Planter of the Eighteenth Century* (Charlottesville: University Press of Virginia, 1941).
[17] Lowell H. Harrison, *John Breckinridge: Jeffersonian Republican* (Louisville, KY: The Filson Club, 1969), 132.
[18] Thomas D. Clark ed., *The Voice of the Frontier: John Bradford's Notes on Kentucky* (Lexington, KY: University Press of Kentucky, 1993), ix-xv.

Constant	1,162.06 (13.35)***	751.75 (10.40)***	1,049.16 (3.34)***	1,135.45 (7.99)***	3,538.17 (3.08)***
R-Squared	0.14	0.21	0.11	0.18	0.19
N	2,599	1,863	205	402	129

Notes: The variables for mean and median wealth have been normalized by dividing each taxpayer's wealth by the weighted mean or median wealth for each of the four observation years in the sample (1785, 1795, 1805, and 1815).
Absolute value of t-statistics in parenthesis
*** p<0.01, ** p<0.05, * p<0.1

The wealth data allow us to study social mobility by linking the fortunes of individual taxpayers over the course of the period. The sample includes 2,599 taxpayers whose exact name matches for two or more years in the same county. Analysis of these data allows us to test whether or not the circumstances of the linked taxpayers improved or worsened with time. We might expect taxpayers to have accumulated wealth over the course of their lifetimes. It is also possible that economic instability forced some taxpayers to liquidate their portfolios in times of crisis. Regression analysis allows us to measure the level of persistence over time. The regressions measure whether or not wealth held in the previous decade was a good predictor of wealth in the following decade. We can interpret the coefficient in the first model to mean that 46% of each taxpayer's wealth can be explained by that individual's wealth in the decade before. Because the coefficients measure persistence, subtracting the coefficients from one yields the rate of social mobility. The rate of persistence was significantly higher in New England and the West, where wealth in the previous decade explained more than seventy percent of taxpayer's prospects. Wealth levels were less determinative in the Chesapeake, and the figure is surprising low. Although we typically associate the region with large plantations and distinguished statesmen, the Chesapeake was undergoing a period of transition in the early republic. Many of the large fortunes that defined the Revolutionary generation dissipated in the decades after it. As a result, taxpayers in the Chesapeake appear to have experienced the highest levels of social mobility with nearly eighty percent of changes in wealth from one decade to the next explained by other factors.

Table 5: *Number and Proportion of Taxpayers by Change in Wealth Level*

	1785-1795	1795-1805	1805-1815
Wealth Increased	397 (58.6%)	648 (58.6%)	974 (62.2%)
Wealth Remained Constant	26 (3.8%)	79 (7.1%)	79 (5.0%)
Wealth Decreased	255 (37.6%)	378 (34.2%)	513 (32.7%)
Total	678	1,105	1,566

Source: Derived from the tax sample

A closer examination of the tax records reveals significant upward mobility and expanding economic opportunities for most taxpayers in the early republic. Average wealth levels among the matched taxpayers fell in the aggregate from $2,034.93 in 1795 to $1,542.55 in 1815. It is not surprising that the average wealth among the taxpayers uncovered in the matched sample is higher than the national average for each year. Those who owned property were at lower risk of becoming too poor to appear in the tax rolls, as those who owned no real or personal property and lived in dire poverty were sometimes exempted from taxation. The decline in average wealth levels for the matched sample appears in line with the results from the larger population. What is surprising, however, is that a significant majority of the taxpayers in the matched sample improved their material circumstances from one decade to the next. The likelihood of a taxpayer improving or maintaining their standard of living actually increased slightly over time. Roughly sixty percent of the taxpayers in the matched sample experiencing rising economic prospects. The magnitude of these gains was significant. Although the average fell in every decade, the median taxpayer in the matched sample increased the size of their portfolio by 4.2% between 1785 and 1795. Median growth rates surged the following decade and the sampled taxpayers increased their wealth by 11.0%. Wealth levels for these taxpayers continued to improve between 1805 and 1815, with the median taxpayer improving their conditions by 9.9%. The annual median growth rates appear in line with many previous studies of American wealth levels and suggest annual growth rates ranging from 0.4% for the decade after the Revolution to 1.1% per year for the 1790s.

Table 6: *Number and Proportion of Taxpayers by Change in Wealth Level by State*

	1785-1795			1795-1805			1805-1815		
	Wealth ↑	Wealth ↔	Wealth ↓	Wealth ↑	Wealth ↔	Wealth ↓	Wealth ↑	Wealth ↔	Wealth ↓
United States	397 (58.6%)	26 (3.8%)	255 (37.6%)	648 (58.6%)	79 (7.1%)	378 (34.2%)	974 (62.2%)	79 (5.0%)	513 (32.7%)
New England	285 (60.8%)	23 (4.9%)	161 (34.3%)	496 (61.8%)	60 (7.5%)	247 (30.8%)	659 (65.8%)	53 (5.3%)	289 (28.9%)
Mid-Atlantic	21 (63.6%)	—	12 (36.4%)	37 (44.0%)	4 (4.8%)	43 (51.2%)	91 (50.0%)	5 (2.7%)	86 (47.3%)
Chesapeake	52 (40.9%)	3 (2.4%)	72 (56.7%)	83 (49.7%)	13 (7.8%)	71 (42.5%)	162 (59.8%)	18 (6.6%)	91 (33.6%)
West	39 (79.6%)	—	10 (20.4%)	32 (62.7%)	2 (3.9%)	17 (33.3%)	62 (55.4%)	3 (2.7%)	47 (42.0%)

Source: Derived from the tax sample

The regional data reveal several emerging trends. Taxpayers in New England grew more likely to improve or maintain their wealth with each successive decade. The fragmentary records from many counties in the Mid-Atlantic provide only a limited sample of matched taxpayers. The available evidence suggests that taxpayers improved their wealth after the Revolution at a rate similar to the national average before experiencing a period of declining prospects. The matched sample provides further proof that taxpayers in the Chesapeake were devastated after the Revolution. Only forty percent of taxpayers in region improved their wealth between 1785 and 1795. Prospects in the region improved, however, and by 1815 taxpayers in the Chesapeake faced opportunities on par with the rest of the nation. Comparatively few taxpayers from the western states can be matched between decades, and the sample for the early decades in this region is dominated by the returns from a couple of wealthy counties in Kentucky. The results indicate that taxpayers faced the greatest potential for improving their wealth in the early decades, but that expectations followed the rest of the country as the region developed.

The tax sample also allows us to examine wealth by surname to determine which groups experienced higher rates of social mobility. Did wealthy families remain wealthy? Gregory Clark

argues that over the long run of history wealthy surnames have exhibited considerable persistence. Wealthy families in the medieval and early modern period were more likely to maintain their status into the twentieth century. Evidence from the early republic does not support this argument. The table above lists the ten wealthiest and ten poorest surnames in 1785, and follows how each family name performed thirty years later. All of the surnames that had been wealthy in 1785 had lost wealth by the early nineteenth century. Most of these families approached the national average three decades later and a few had fallen even further. Of those families that had been poor in 1785, all except one were better off thirty years later. The poor families remained poorer than the national average, but most families saw substantial improvement in their portfolios compared to the rest of the distribution. Although the tax sample only follows surnames for one, thirty-year generation, we might expect higher rates of persistence given Clark's model of intergenerational social mobility. The tax records indicate that the early United States remained a country in which the poor could move quickly into the middling ranks and where large fortunes were not as obstinate as in Europe.

Table 7: *The Ten Wealthiest and Poorest Surnames in 1785 (Weighted)*[1]

Surname	Number of Observations	1785	1795	1805	1815
Carter	107	$10,232.79	$4,478.05	$1,346.63	$897.28
Barnard	39	$6,021.98	$1,094.25	—	$1,081.27
Henderson	40	$4,250.41	$501.40	$2,946.59	$689.73
Gardner	36	$3,951.15	$2,651.69	$642.18	$382.48
Bond	40	$3,931.85	$2,148.85	$1,970.96	$1,083.86
West	36	$3,829.59	$251.91	$1,088.38	$452.18
Whitney	38	$2,645.56	$2,341.25	—	$810.56
Vose	45	$2,642.86	$3,372.71	—	$643.20
Bailey	58	$2,480.76	$740.10	$586.92	$595.35
Sanford	46	$2,422.58	$729.87	$1,285.48	$696.94
Gray	62	$105.02	$795.37	$429.21	$590.68
Perry	58	$109.44	$667.03	$1,312.51	$1,095.10
Jenkins	33	$113.16	—	$1,206.37	$416.78
Abraham	33	$140.99	—	$700.08	$67.45
Howard	56	$142.19	$1,566.13	$602.81	$564.50

Richards	63	$215.18	$1,399.43	$628.13	$432.24
Hopkins	48	$217.68	$1,021.56	$384.03	$459.37
Green	89	$236.78	$819.84	$644.17	$1,053.77
Henry	96	$242.42	$686.25	$491.17	$357.32
Berry	64	$242.71	$494.42	$3,199.84	$2,271.47

[1] I have excluded instances where there are fewer than five observations for a given year, and those surnames with fewer than thirty observations altogether.

We can also identify names that are likely of German or Irish origin to consider whether or not these taxpayers accumulated wealth at similar rates as the rest of the country. The sample includes 2,266 taxpayers with surnames of probable Irish origin, and 317 taxpayers with common German names. Both Irish and German taxpayers were significantly poorer than the rest of the country in 1785, with an average portfolio worth roughly half of the national average. By 1795, taxpayers from Irish and German families had outpaced the country as a whole. Irish households kept pace with the national average in 1805, while German families remained wealthy. Both groups lost wealth in 1815 and fell slightly below the national figures.

Table 8: *Average Wealth by Year (Weighted in Real 1800 Dollars)*

	1785	1795	1805	1815
United States	$1,302.83	$1,269.37	$916.02	$821.10
Irish	$669.01	$1,347.78	$914.31	$616.32
German	$623.77	$1,604.71	$1,318.55	$790.83

Source: Derived from the tax sample

The level of inequality did not change significantly over time, confirming Lee Soltow's observation that American inequality remained relatively constant throughout the antebellum period. While the national figures reveal gradual steps toward greater equality, the difference between decades is miniscule and does not fully support Lindert and Williamson's argument that the United States was more egalitarian in 1800 than in 1774.[19] These Gini coefficients show greater concentrations of wealth than Lindert and Williamson found for income inequality in the same period, but the results are not far from the estimates produced by Jones and Soltow. The

[19] Lindert and Williamson, *Unequal Gains,* 95.

differences in measurements can be explained in part by the differences in types of property measured. Jones included the value of all household assets, while Soltow measured the value of all land, dwelling houses, and slaves, which were more unequally distributed in the eighteenth-century than other forms of property. Because these data measures the value of livestock, luxuries, and some business assets in addition to land and slaves, it is understandable that the Gini for total wealth is situated between Jones and Soltow's figures.

Table 9: *Gini Coefficients of Wealth by State and Year (Weighted)*

	1785	1795	1805	1815
United States	0.73	0.71	0.69	0.69
New York	0.38	0.57	0.66	—
Pennsylvania	0.71	0.65	0.65	0.66
Virginia	0.75	0.73	0.74	0.78
Massachusetts	0.67	0.72	—	0.51
North Carolina	0.75	0.74	0.67	0.72
Kentucky	0.60	0.86	0.76	0.71
Ohio	—	—	0.73	0.63
Connecticut	—	0.63	0.82	0.70
Maryland	—	0.74	0.79	0.78
Maine	0.40	0.53	0.53	0.62

Source: derived from the tax data.

Most states followed the national average in a trend towards greater equality. Inequality measures were highest in states with significant slave populations. Few taxpayers could afford to own slaves, and slave ownership became increasingly concentrated in the early decades of the nineteenth century. Growing investment in slave property helps to explain the elevated and rising Gini coefficients in Maryland, Virginia, North Carolina, and Kentucky. Rising inequality measures in New York chronical the rise of New York City as a burgeoning financial center and emphasizes the emerging importance of financial assets as a component of household wealth. Inequality was rising in Connecticut for many of the same reasons. The tax records from Connecticut underscore the growing proportion of wealth invested in manufacturing and in financial instruments. The distribution of wealth became more equal in Pennsylvania and

Massachusetts. Growing and upwardly mobile populations likely diluted the influence of large fortunes in both states. Taxpayers located along the frontier in Ohio and Kentucky experienced concentrations of wealth similar to the large slaveholding states of the Chesapeake. Land speculators in both states dominated the wealth distribution in the early decades, and it was not uncommon for taxpayers to report owning more than ten thousand acres of land. The level of inequality fell consistently in both states as the region developed and the importance of land speculators diminished. Taxpayers in Maine experienced the most equitable distribution of wealth. There were few large landholders like the ones in Kentucky and Ohio, and the vast majority of settlers were of middling wealth. Inequality measures rose steadily, however, as the region developed and established settlers acquired greater wealth.

Taxpayers in the early republic exhibited considerable economic mobility from one decade to the next. Individuals toward the top of the wealth distribution struggled to maintain their fortunes, and the instability of the postwar years created new opportunities for some households to improve their standing. Although average wealth levels declined with each successive decade, the most taxpayers' portfolios were growing. Despite the spectacular material devastation of the Revolution and the trade disruptions in the decades that followed, the United States remained among the wealthiest nations in the world. Evidence from the matched sample makes clear that most households were improving their wealth with each decade. The data from several regions demonstrate signs of convergence, but there remained stark differences between individual counties and between taxpayers in different parts of the country. Analysis of the surnames provides additional evidence of the high degree of social mobility that Americans faced after the Revolution. William Allason, a Virginia merchant, summarized the situation in 1785 by noting that the Revolution "occasioned great changes in peoples circumstances, as many

before it had had no Credit or property, are now most oppulent [sic], and others who were in good credit, have lost that as well as their Subject; such changes and alterations I say are numerous here."[20]

[20] William Allason to David Allason, May 18, 1785, Allason Letter Books, 1770-1789, Microfilm, Library of Virginia, Richmond. Miscellaneous Reel 389, page 483.