

**Using Census Data to Measure Wealth Inequality
In Nineteenth-Century Detroit
(1850-1870)**

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During the nineteenth century, the social structure of Detroit included a very high level of wealth inequality. Analysis of data contained in U.S. census schedules for the years 1850, 1860 and 1870 discloses a skewed wealth distribution for nineteenth-century Detroit, in which the top one percent of the city's families controlled over forty percent, and the top ten percent of families controlled over eighty percent, of the city's total wealth. At the same time, the bottom fifty percent owned next to nothing. The census data analysis also indicates that Detroit's wealth patterns matched those of other large nineteenth-century U.S. and Canadian cities, in particular those of its Great Lakes neighbors. The historian Robert Manning has called the need to collect historical data, in particular on inequality, the "single greatest challenge in global social-science research."¹ As such, the discussion that follows seeks to address this data need in a small way by introducing new datasets for one major northern U.S. city. In addition, the overall analysis provides a backdrop for understanding Detroit's larger political, economic, social and cultural history.

Wealth inequality has become a hotly debated topic within academic and political communities. The dramatic concentration of wealth over the last forty years increasingly draws comparisons with the reviled Gilded Age. Research conducted by the French political economist Thomas Piketty sits at the center of the ongoing debate. Piketty's thesis rests on the belief that when "the rate of return on capital exceeds the rate of growth of output and income, as it did in the nineteenth century and seems quite likely to do so again in the twenty-first, capitalism automatically generates arbitrary and unsustainable inequalities that radically undermine the meritocratic values on which democratic societies are based."² At the same time, Piketty argues

¹ Patrick Manning, "Inequality: Historical and Disciplinary Approaches," *American Historical Review* 122 (February 2017): 14-15.

² Thomas Piketty, *Capitalism in the Twenty-First Century* (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 2014), 1.

that history challenges the power of “purely economic mechanisms.”³ He states that the “history of the distribution of wealth has always been deeply political” and that unbridled capitalism can be managed to ensure greater wealth equality.⁴ As evidence, he notes that the “reduction of inequality [from nineteenth-century levels] that took place in most developed countries between 1910 and 1950 was above all a consequence of war and of policies adopted to cope with the shocks of war.”⁵ Similarly, the “resurgence of inequality [back toward nineteenth-century levels] after 1980 is due largely to the political shifts of the past several decades, especially with regard to taxation and finance.”⁶ Piketty’s thesis makes an understanding of nineteenth century wealth patterns a starting point for the idea that wealth inequality can be managed. As such, a better understanding of nineteenth-century wealth patterns, as provided in the discussion below for Detroit, supports the ongoing debate on managing wealth inequality in the twenty-first century.

Data sources on U.S. wealth patterns during the nineteenth-century, however, are somewhat limited. Comprehensive data gathering by government agencies did not begin in the U.S. until the twentieth century. Developing data sources, therefore, becomes vital in order to understand nineteenth-century patterns. Piketty explains that he “made an effort to collect as complete and consistent a set of historical [data] sources as possible in order to study the dynamics of income and wealth distribution over the long run.”⁷ In this he cites the benefits gained from data generated by the cumulative research of many scholars. Peter Lindert and Jeffrey Williamson, in their recent history of U.S. growth and income inequality since 1700, also cite the importance in their work of “new evidence supplemented by some old sources that have been underutilized in

³ Piketty, 20.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid., 19.

the past.”⁸ In fact, the historian Patrick Manning, in his 2017 “Presidential Address” to the American Historical Association called for building “a world-historical data resource” focused “on the question of the source and transformation of inequality worldwide during the past five centuries.”⁹ Given this background, and to support Manning’s call in a small way, this paper presents new data on the nineteenth-century wealth patterns of Detroit and compares this data to previously published nineteenth-century wealth patterns of other U.S. and Canadian urban areas.

The paper starts with a short description of the census data sources used, along with a short explanation of how this data was captured and analyzed. Next, as background, the paper provides a brief description of Detroit’s nineteenth-century population growth, and lays out the basic ethnic composition of the city for the study period of 1850 to 1880. With this background in place, the paper then presents a series of statistical tables summarizing the results of an extensive analysis of wealth data found in the 1850, 1860 and 1870 U.S. census schedules for Detroit. These tables include, for comparison purposes, wealth statistics created by other historians for a number of U.S. and Canadian regions and cities. Finally, the discussion considers a number of data challenges inherent in using U.S. census data to measure wealth patterns. Overall, the goal is to better expose the nature of Detroit’s nineteenth-century wealth distributions and to demonstrate how the city’s skewed wealth patterns closely match those exhibited by similar and neighboring mid-nineteenth century U.S. and Canadian urban areas.

To start, a short discussion is needed to explain how the census data presented in the Tables that follow were developed. Starting in 1790, a full census took place in the U.S. every ten years. Each census year, enumerators attempted to visit every household and other dwelling

⁸ Peter H. Lindert and Jeffrey G. Williamson, *Unequal Gains: American Growth and Inequality Since 1700* (Princeton: Princeton University Press, 2016), 3.

⁹ Manning, 6.

place (e.g., boarding houses, residential hotels, orphanages, convents, jails, etc.) to gather personal data (name, age, place of birth, occupation, etc.) for all of the country's residents, sorted by geographic subdivision (in this case, Detroit). In each census year, enumerators received a unique set of questions to ask, and they entered, by hand, the answers gathered on pre-printed census enumerator schedules.¹⁰ The completed schedules were collected for the entire country and permanently stored in Washington D.C. Eventually they became available to scholars via microfilm, and in recent years, organizations like Ancestry.com have digitized them.

The Detroit census datasets used in this paper were created by copying the digitized census data available from Ancestry.com into a Microsoft Excel spreadsheet.¹¹ This effort resulted in sortable datasets containing demographic information on every Detroit individual counted, including first and last name, age, gender, race, birthplace, city ward, etc. The digital data available from Ancestry.com, however, did not include the wealth dollar values listed in the 1850, 1860 and 1870 census schedules (no wealth data was collected in 1880). Accordingly, these values were entered by hand into the Excel spreadsheets. The completed spreadsheets support the creation of demographic tables for Detroit, including summary wealth tables as shown below. In addition, the spreadsheets allow for the creation of statistics in a manner that allows for comparison of Detroit's patterns to statistics on other geographic areas as prepared by other historians.

¹⁰ For a sample set of enumerator instructions, see: Census Office, Department of the Interior, *Instructions to U.S. Marshals. Instructions to Assistants* (Washington, D.C.: Geo. W. Bowman, Public Printer, 1860), 11-12. In addition, census instructions often appeared in the local newspapers; see: *Detroit Post*, "Taking the Census," June 7, 1870.

¹¹ To be referred to hereafter as the 1850, 1860, 1870 and 1880 Detroit Census Datasets. Developed using the 1850, 1860, 1870 and 1880 Federal Census records based on digital records found on Ancestry.com. Original sources are enumerator record sheets for the *1850, 1860, 1870 and 1880 United States Federal Census* as digitized by *Ancestry.com* [database on-line]. Provo, UT, USA. Records of the Bureau of the Census, National Archives, Washington, D.C.

With this data collection discussion in hand, as background, the paper moves to a short discussion of Detroit’s early settlement patterns and ethnic diversity. Founded in 1701, Detroit remained a small colonial trading post of less than two thousand people until the mid-1820s. The opening of the Erie Canal in 1825, however, made it easier to travel to, and transport goods from, the lands bordering on the Great Lakes.

Table 1 Detroit Population Compared to Neighboring Cities – 1820 to 1900

	Adults & Children				
	<u>Detroit</u>	<u>Cleveland</u>	<u>Milwaukee</u>	<u>Chicago</u>	<u>Toronto</u>
1820	1,422	0	0	0	N/A
1830	2,222	1,076	0	0	N/A
1840	9,102	6,071	1,712	4,470	N/A
1850	21,019	17,034	20,061	29,963	N/A
1860	45,619	43,417	45,246	109,260	N/A
1870	79,577	92,829	71,440	298,977	56,092
1880	116,340	160,146	115,587	503,185	86,415
1890	205,876	261,353	204,468	1,099,850	181,220
1900	285,704	381,768	285,315	1,698,575	208,040

Sources: For U.S. cities: Department of the Interior, Census Office, *Census Reports Volume 1: Twelfth Census of the United States, Taken in the Year 1900, Population, Part 1* (Washington: United States Census Office, 1901): 430-433; For Toronto (for the census years 1871, 1881, 1891 and 1901): *Fourth Census of Canada, 1901*. Volume I: Population (Ottawa: Government of Canada. 1902): 4.

As a result, in the 1830s and 1840s, Michigan became one of the fastest growing regions in the U.S.¹² As Table 1 illustrates, Detroit experienced steady population growth throughout the nineteenth century. This growth mirrored that of its neighbors Cleveland, Milwaukee and Toronto, but after 1850 fell far below the dramatic growth of its largest neighbor Chicago.

Detroit’s early population growth resulted from two very different waves of settlers. The first wave of settlers, arriving primarily over the period 1820 to 1840 originated in New England and Western New York (these settlers were commonly referred to as “Yankees”). Michigan

¹² George N. Fuller, “Settlement of Michigan Territory,” *The Mississippi Valley Historical Review* 2, no. 1 (June 1915): 36-37.

historian, Willis Dunbar notes that “nowhere in the West did the Yankee stock predominate to the degree that it did in Michigan.”¹³ Starting in the late 1830s, however, a second wave of settlers began arriving in Detroit, this time from Europe, with the bulk coming from Canada, England, Scotland, Ireland and Germany. This second wave of settlers soon overwhelmed the first.¹⁴ As Table 2 shows, federal census figures for Detroit indicate that, by 1850, native-born adults (meaning those born in the U.S.) only totaled thirty-six percent of the total adult population of the city, with almost two-thirds native born adults coming from New England or New York. At the same time, Irish adults totaled twenty-two percent, and German adults totaled nineteen percent, of the city’s total adult population. These percentages hold, in rough measure, up through 1880, although the percentage of German settlers eventually passed the Irish in size.¹⁵

Table 2 Detroit Population by Place of Birth – 1850 to 1880

Place of Birth – Adults	1850		1860		1870		1880	
Michigan	755	7%	1,897	8%	5,071	12%	13,265	21%
New England	794	7%	1,076	5%	1,578	4%	2,084	3%
New York	1,684	15%	2,835	12%	4,245	10%	6,448	10%
Other U.S.	<u>712</u>	<u>6%</u>	<u>1,281</u>	<u>5%</u>	<u>2,679</u>	<u>7%</u>	<u>4,765</u>	<u>8%</u>
Total Native-Born Adults	3,945	36%	7,089	30%	13,573	33%	26,562	42%
Canada	929	8%	1,754	7%	4,370	10%	7,262	11%
Germany	2,048	19%	5,384	23%	10,263	25%	14,300	22%
Ireland	2,381	22%	4,988	21%	6,509	16%	6,488	10%
England/Wales	940	9%	1,825	8%	2,999	7%	3,683	6%
Scotland	387	4%	927	4%	1,408	3%	1,644	3%
Other Europe	296	3%	1,310	6%	2,505	6%	3,781	6%
Other	<u>43</u>	<u>0%</u>	<u>120</u>	<u>1%</u>	<u>98</u>	<u>0%</u>	<u>217</u>	<u>0%</u>
Total Foreign-Born Adults	7,024	64%	16,308	70%	28,152	67%	37,375	58%
Total Adults	10,969	100%	23,397	100%	41,725	100%	63,937	100%
Total Children	<u>10,051</u>		<u>22,222</u>		<u>37,853</u>		<u>52,403</u>	

¹³ Willis F. Dunbar, *Michigan: A History of the Wolverine State*, 3d ed. (Grand Rapids: William B. Eerdmans Publishing Company, 1995), 170.

¹⁴ Dunbar, 244-247.

¹⁵ The statistics supporting these conclusions are found in Table 2 and were developed from the 1850, 1860, 1870 and 1880 Detroit Census Datasets.

Total Residents	<u>21,019</u>	<u>45,619</u>	<u>79,577</u>	<u>116,340</u>
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Sources: 1850, 1860, 1870 and 1880 Federal Census records: Ancestry.com. *1850, 1860, 1870 and 1880 United States Federal Census* [database on-line]. Provo, UT, USA. Records of the Bureau of the Census, National Archives, Washington, D.C.

With this short description of Detroit's early demographics in place, the discussion turns to a more comprehensive evaluation of the city's mid-nineteenth-century wealth patterns. The most comprehensive source of wealth information for nineteenth-century Detroit comes from the 1850, 1860 and 1870 U.S. census records. The 1850 census instructions asked enumerators to obtain from each individual the full market value of real estate owned, regardless of its location (meaning inside or outside Detroit), and without reducing the value for any mortgages or debts against the property. The 1860 and 1870 census instructions asked for the same real estate information, plus added a separate category for the value of an individual's personal estate (defined as such things as bonds, stocks, mortgages, notes, livestock, plate, jewels, or furniture).¹⁶ The values entered into the census schedules were self-reported by the individuals surveyed, although, based on a page-by-page review of the census enumeration sheets, the repeating pattern of dollar values on some Detroit pages suggest many were enumerator estimates. Starting with the 1880 federal census, wealth information dropped from the list of standard enumerator questions.

¹⁶ Wealth definitions for 1850, 1860 and 1870 census enumerators quoted in: Lee Soltow, *Men and Wealth in the United States 1850-1870* (New Haven: Yale University Press, 1975), 1.

Table 3 Top Percentile Groups of Adult Males (20 and Older) and Their Percentage of Aggregate Real Estate in 1850, 1860 and 1870

Percentile Groups	Detroit			Soltow -- Total U.S.			Darroch & Soltow Urban Ontario
	1850	1860	1870	1850	1860	1870	1871
0.001	0.25	0.29	0.18	0.10	0.09	0.06	N/A
<u>0.010</u>	<u>0.57</u>	<u>0.54</u>	<u>0.44</u>	<u>0.30</u>	<u>0.29</u>	<u>0.24</u>	<u>0.39</u>
0.020	0.66	0.65	0.55	0.40	0.39	0.34	0.50
0.050	0.81	0.80	0.72	0.58	0.57	0.52	0.66
<u>0.100</u>	<u>0.91</u>	<u>0.90</u>	<u>0.84</u>	<u>0.73</u>	<u>0.73</u>	<u>0.70</u>	<u>0.79</u>
0.200	0.99	0.97	0.94	0.89	0.89	0.88	0.93
0.300	1.00	1.00	0.99	0.97	0.96	0.96	1.00
0.400	1.00	1.00	1.00	0.99	0.99	0.99	1.00
0.500	1.00	1.00	1.00	N/A	N/A	N/A	1.00

Sources: 1850, 1860 and 1870 Detroit Census Datasets; Soltow, *Men and Wealth*, 96; A. Gordon Darroch and Lee Soltow, *Property and Inequality in Victorian Ontario: Structural Patterns and Cultural Communities in the 1871 Census* (Toronto: University of Toronto Press, 1994), 191.

The first summary wealth table, found in Table 3 below, analyzes the real estate values listed for Detroit residents in the 1850, 1860 and 1870 Detroit Census Datasets and compares the analytical results to statistics developed by Lee Soltow for the entire U.S., and by A. Gordon Darroch and Soltow for 1871 urban Ontario. The Table indicates that the top one percent of Detroit adult males (age 20 and older) owned over fifty percent of the city's real estate in 1850 and 1860, dropping to forty-four percent in 1870 (see the Table's first underlined row).¹⁷ The top ten percent of adult males owned around ninety percent of Detroit real estate in 1850 and 1860, dropping to eight-four percent in 1870 (see the Table's second underlined row).¹⁸ The

¹⁷ The goal of the analysis is to show the wealth patterns of individual families. The decision to use "adult males age 20 and older" as the approximation for "families" was made for two reasons. First, the census records make counting families almost impossible. Many "families" included unaffiliated individuals, such as servants, boarders, and working relatives. In addition, many families included working age adults with assigned wealth values that would require aggregation. Women were excluded because the census enumerators in all years almost universally assigned wealth values to the oldest male in the family, as the "head of the household." Very few women had wealth assigned to them. To have included women in the counts would have placed more than ninety percent of them in the "zero" ownership category. Even so, leaving women, and males under age 20, out of the equation kept approximately five to ten percent of total wealth out of the analysis. Second, Soltow (and the historians who followed him) used "adult males age 20 and older" in his analyses. For comparability purposes, it makes sense to follow this approach. Ultimately, there is no perfect approximation for "families."

¹⁸ The statistics supporting these conclusions are found in Table 3. Statistics for Detroit, were developed from the 1850, 1860 and 1870 Detroit Census Datasets. Statistics for the comparison regions, as noted at the top of the Table,

urban areas of Ontario in 1871 show a very similar real estate ownership profile. However, because the U.S. population in these years primarily lived in rural areas, with broader real estate ownership, Soltow’s statistics for the entire U.S., show a more concentrated real estate ownership pattern somewhat different from the urban regions of Detroit and Ontario. Even so, in all cases, urban and rural, sixty to seventy percent of the population owned little or no real estate.¹⁹

Re-enforcing the results from Table 3, Table 4 provides summary statistics of *total wealth* (real estate plus personal estate) within Detroit developed from the 1860 and 1870 Detroit Census Datasets, and compares these statistics to those developed by Soltow for Northern states, and for the entire U.S.

Table 4 Top Percentile Groups of Adult Males (20 and Older) and

Their Percentage of Aggregate Total Wealth in 1860 and 1870

Percentile Groups	Detroit		Soltow				Piketty		
	1860	1870	North U.S.		Total U.S.		“High” U.S. 2010	“Very High” Europe 1910	1870 Paris
0.001	0.25	0.19	0.08	0.06	0.08	0.07			
0.010	0.47	0.45	0.27	0.24	0.29	0.27	0.35	0.50	0.56
0.020	0.58	0.57	0.37	0.34	0.40	0.37			
0.050	0.74	0.72	0.53	0.51	0.57	0.54			
0.100	0.85	0.82	0.68	0.67	0.73	0.70	0.70	0.90	
0.200	0.93	0.92	0.84	0.84	0.86	0.87			
0.300	0.97	0.96	0.92	0.93	0.94	0.95			
0.400	0.99	0.99	0.97	0.97	0.97	0.98			
0.500	1.00	1.00	0.99	0.99	0.99	0.99	0.95	0.95	

Sources: 1860 and 1870 Detroit Census Datasets; Soltow, *Men and Wealth*, 99; Piketty, 248.

come from Soltow, *Men and Wealth*, 96 and A. Gordon Darroch and Lee Soltow, *Property and Inequality in Victorian Ontario: Structural Patterns and Cultural Communities in the 1871 Census* (Toronto: University of Toronto Press, 1994), 191.

¹⁹ Or, said in the opposite way, the top thirty percent of families owned nearly one hundred percent of the real estate (as shown in Table 3).

The table also shows statistics for several of Piketty’s inequality benchmarks. The level of inequality using “total wealth,” as shown in Table 4, is only slightly less than that for “real estate alone,” as shown in Table 3. The top one percent of Detroit adult males owned approximately forty-five percent, and the top ten percent owned over eighty percent, of the city’s total wealth. These percentages greatly exceed those for the heavily rural Northern U.S. and total U.S. in similar census years. They also exceed Piketty’s benchmarks of the U.S. wealth distribution in 2010 (which he labeled “high inequality”), and nearly equals those for Europe in 1910 (labeled “very high inequality”).²⁰ Interestingly, Detroit was not too far below Paris in 1870 (considered by Piketty as having very high levels of wealth inequality in the nineteenth century) with its top one percent owning forty-five percent of total wealth versus fifty-six for Paris.²¹

Detroit’s highly unequal wealth patterns, revealed in Tables 3 and 4, generally match those for other Northern U.S. cities. Table 5 presents a set of Gini coefficients prepared by Soltow for twelve large urban counties (major cities plus surrounding counties), using 1860 census records, along with the coefficient calculated for Detroit using the 1860 Census Dataset (but not including the surrounding Wayne County).²²

²⁰ Piketty, 248.

²¹ The statistics supporting these conclusions are found in Table 4. Statistics for Detroit were developed from the 1860 and 1870 Detroit Census Datasets. Statistics for the comparison regions, as noted at the top of the Table, come from Soltow, *Men and Wealth*, 99; and Piketty, 248.

²² The Gini coefficient is a statistical measure, developed by the Italian statistician Corrado Gini, commonly used as a single-point index of inequality. A Gini coefficient of zero represents complete equality (where everyone holds the same amount of wealth—e.g., the starting point of a Monopoly game) and a coefficient of 1.00 represents a maximum level of inequality (where only one individual holds all of the wealth – e.g., the end of the Monopoly game).

Table 5 The Number, Wealth, Nativity, and Age of Males 20 Years Old and Over

In Each of Twelve Large Urban Counties, Plus Detroit, in 1860

<u>City</u>	<u>Adult Males Age 20 and Older</u>	<u>Avg. Wealth In Dollars</u>	<u>Gini Coefficient</u>	<u>Percent Foreign Born</u>	<u>Median Age</u>
Boston	53,024	2,828	0.944	0.48	33
Philadelphia	145,172	2,679	0.932	0.47	34
New York City	219,642	1,911	0.933	0.64	36
Newark	25,893	1,894	0.904	0.52	38
Washington, D.C.	18,474	2,373	0.898	0.30	34
Pittsburgh	44,198	1,962	0.898	0.53	37
Cincinnati	60,330	2,200	0.932	0.70	35
Chicago	40,740	2,393	0.920	0.68	31
St. Paul	3,523	3,423	0.918	0.61	33
San Francisco	25,679	1,137	0.915	0.65	33
Cleveland	20,233	1,946	0.859	0.61	36
Milwaukee	15,897	2,371	0.893	0.82	35
Detroit	11,595	2,628	0.855	0.70	34

Source: 1860 Detroit Census Dataset; Lee Soltow, "The Wealth, Income, and Social Class of Men in Large Northern Cities of the United States in 1860," in *The Personal Distribution of Income and Wealth, Studies in Income and Wealth*, vol. 39, ed. J. D. Smith (New York: Columbia University Press, NBER, 1975), 236-237.

Although the figures in Table 5 show that Detroit, with the lowest Gini coefficient, exhibited slightly less inequality than most of the urban areas profiled (which may be

Although the figures in Table 5 show that Detroit, with the lowest Gini coefficient, exhibited slightly less inequality than most of the urban areas profiled (which may be caused by the different data source), the city's Gini coefficient is consistent with those calculated by Soltow (supporting the validity of the independent calculation for Detroit), and nearly matches Soltow's values for Cleveland and Milwaukee, both similar Great Lakes neighbors.²³

²³ The statistics supporting these conclusions are found in Table 5. Statistics for Detroit were developed from the 1860 Detroit Census Dataset. Statistics for the comparison regions come from Lee Soltow, "The Wealth, Income, and Social Class of Men in Large Northern Cities of the United States in 1860," in *The Personal Distribution of Income and Wealth, Studies in Income and Wealth*, vol. 39, ed. J. D. Smith (New York: Columbia University Press, NBER, 1975), 236-237.

Building on the urban comparisons shown in Table 5, the wealth distributions included in Table 6, developed using 1860 census data, compares Detroit to Boston, Baltimore, St. Louis and New Orleans, four very different cities in different areas of the country. While Detroit's wealth distribution in 1860 did not match that of the more highly skewed Boston, it comes close to the distributions of Baltimore, St. Louis and New Orleans. The top ten percent of adult males owned ninety-five percent of total wealth in Boston, but owned slightly less at eighty-one to eighty-seven percent of total wealth in the other four cities.²⁴

Table 6 Top Percentile Groups of Adult Males (20 and Older) and

Their Cumulative Percentage of Aggregate Total Wealth in 1860
Detroit Compared to Boston, Baltimore, St. Louis and New Orleans

Percentile Groups	Detroit	Boston	Baltimore	St. Louis	New Orleans
0.001	0.25	N/A	N/A	N/A	N/A
0.010	0.47	0.65	0.39	0.38	0.43
0.020	0.58	0.76	0.54	0.50	0.57
0.050	0.74	0.88	0.72	0.68	0.72
0.100	0.85	0.95	0.87	0.81	0.83
0.200	0.93	0.99	0.95	0.93	0.93
0.300	0.97	1.00	0.98	0.97	0.97
0.400	0.99	1.00	0.99	0.99	0.99
0.500	1.00	1.00	1.00	0.99	0.99

Sources: 1860 Detroit Census Dataset; for comparison cities: Steven Herscovici, "The Distribution of Wealth in Nineteenth Century Boston: Inequality Among Natives and Immigrants, 1860," *Explorations in Economic History* 30 no. 3 (1993), 323 for Boston; Robert E. Gallman, "Trends in the Size Distribution of Wealth in the Nineteenth Century: Some Speculations," in *Six Papers on the Size Distribution of Wealth and Income*, ed. Lee Soltow (Washington: National Bureau of Economic Research, 1969), 22-23 for Baltimore, St. Louis and New Orleans.

²⁴ The statistics supporting these conclusions are found in Table 6. Statistics for Detroit were developed from the 1860 Detroit Census Dataset. Statistics for the comparison regions, as noted at the top of the Table, come from Steven Herscovici, "The Distribution of Wealth in Nineteenth Century Boston: Inequality Among Natives and Immigrants, 1860," *Explorations in Economic History* 30 no. 3 (1993), 323 for Boston and from Robert E. Gallman, "Trends in the Size Distribution of Wealth in the Nineteenth Century: Some Speculations," in *Six Papers on the Size Distribution of Wealth and Income*, ed. Lee Soltow (Washington: National Bureau of Economic Research, 1969), 22-23 for Baltimore, St. Louis and New Orleans.

Similar wealth patterns appear when comparing Detroit to its neighbors Cleveland and Milwaukee. Table 7 shows statistics generated from datasets created using 1850 census records for Cleveland and Milwaukee based on the same methodology employed to create the 1850 Detroit Census Dataset.

Table 7 Top Percentile Groups of Adult Males (20 and Older) and

Their Percentage of Aggregate Real Estate in 1850
Detroit Compared to Cleveland and Milwaukee

Percentile Groups	1850 Real Estate		
	Detroit	Cleveland	Milwaukee
0.001	0.25	0.17	0.15
0.010	0.57	0.47	0.52
0.020	0.66	0.61	0.64
0.050	0.81	0.79	0.80
0.100	0.91	0.91	0.90
0.200	0.99	0.99	0.98
0.300	1.00	1.00	1.00
0.400	1.00	1.00	1.00
0.500	1.00	1.00	1.00

Sources: 1850 Detroit, Cleveland and Milwaukee Census Datasets.

Like with Baltimore, St. Louis and New Orleans (shown in Table 6), Detroit shows remarkable similarity in percentile groups with its Great Lakes neighbors (no doubt due in part to their concurrent settlement and population growth patterns). In 1850, the top ten percent of adult males owned approximately ninety percent of all real estate in all three cities. At the same time, the bottom seventy percent of adult males owned no real estate at all.²⁵

The results of comparing Detroit's statistics to those of other U.S. and Canadian cities, as found in Tables 5 through 7, validate the methodology used to create the Detroit Census

²⁵ The statistics supporting these conclusions are found in Table 7. Statistics for Detroit were developed from the 1850 Detroit Census Dataset. Statistics for Cleveland and Milwaukee (referred to as the 1850 Cleveland Census Dataset and the Milwaukee Census Dataset) were developed in the same manner as the 1850 Detroit Census Dataset by using data obtained from Ancestry.com for each city, copied digitally into an Excel spreadsheet, and with real estate values entered by hand. See footnote 7.

Datasets. The comparisons demonstrate that Detroit represented a typical northern U.S. urban space, exhibiting a highly unequal wealth distribution and closely tracking its neighbors Cleveland and Milwaukee.

Detroit’s high level of wealth inequality, during the mid-nineteenth century, did not necessarily disturb the city’s residents. On July 22, 1869, the *Detroit Free Press* printed an article which indicated that the city was “uncommonly prosperous” and that the few rich men in the city “made money by their own hard and constant labor,” and not by inheriting property.²⁶ Soltow also found evidence of this type of nineteenth-century optimism: that “individual effort would produce economic growth.”²⁷ He mused that high wealth inequality may have been “tolerated because, for the average person, handsome rates of accumulation of wealth during his lifetime were within the realm of possibility.”²⁸ In this regard, as evidence for lifetime wealth accumulation, Soltow developed statistics that show average wealth growing as age increases. Table 8 compares these age-related statistics with comparable averages for Detroit.

Table 8 Average Wealth (In Dollars) of Adult Males (20 and Older)

Classified By Age Groups -- 1860 and 1870

<u>Age Groups</u>	<u>Detroit</u>		<u>Total U.S.</u>
	<u>1860</u>	<u>1870</u>	
20-34	760	863	929
35-44	3,028	3,831	2,510
45-54	5,582	7,202	4,193
55-64	3,719	10,080	4,599
65 and Up	19,834	6,816	5,128
All Groups	2,628	3,456	2,399

Sources: 1860 and 1870 Detroit Census Datasets; Soltow, *Men and Wealth*, 85.

²⁶ *Detroit Free Press*, “Who Owns the Property of Detroit?,” July 22, 1869.

²⁷ Lee Soltow, *Patterns of Wealthholding in Wisconsin Since 1850* (Madison: University of Wisconsin Press, 1971), 34.

²⁸ Soltow, *Men and Wealth*, 183.

When compared to the total U.S., Detroit exhibited slightly lower wealth for the 20 to 34 age group, but then offered greater average wealth for all of the older age groups. Although slightly skewed by the inclusion of the top one percent of wealth-holders, Detroit's figures, like those of Soltow, show an upward trend in wealth as age progresses, possibly reflecting the accumulation of wealth over a lifetime of activities.²⁹

Consistent with Soltow's general findings, Detroit's data also shows that foreign-born residents, while starting at a lower average wealth, could catch up with native-born residents, at least during the 1860s. Table 9 shows that, in Detroit, average wealth progressively increased up to age 65 for native-born and foreign-born males.³⁰

Table 9 Average Wealth (In Dollars) of Detroit Adult Males (20 and Older)

Bottom 99% of Wealth-Holders Classified By Age Groups and Nativity -- 1860 and 1870						
Age	Native-Born		Foreign-Born		Combined	
	1860	1870	1860	1870	1860	1870
20-34	956	1,013	530	642	666	783
35-44	3,675	3,665	1,332	2,257	1,939	2,612
45-54	5,269	5,753	1,618	2,690	2,706	3,383
55-64	5,298	6,670	1,275	3,015	2,228	3,999
65 and Up	5,153	4,645	1,013	1,457	2,209	2,276
All Groups	2,454	2,512	956	1,635	1,399	1,909
% Increase 1860 to 1870		2%		71%		36%
Foreign-Born % of Native			39%	65%		

Sources: 1860 and 1870 Detroit Census Datasets.

²⁹ The statistics supporting these conclusions are found in Table 8. Statistics for Detroit were developed from the 1860 and 1870 Detroit Census Datasets. Statistics for the comparison total U.S. come from Soltow, *Men and Wealth*, 85.

³⁰ Removing the richest one percent of adult males from this analysis eliminated the large effect these men had on the individual age groups.

In addition, reflecting longer residence within the city (significant German and Irish migration to Detroit occurred in the 1840s and 1850s, but dropped in the early 1860s due to the Civil War before beginning to grow again in the late 1860s) the average wealth of foreign-born males grew by over seventy percent between 1860 and 1870, whereas average wealth for native-born males grew by only two percent. Greater wealth accumulation by foreign-born males during the 1860s closed the average wealth gap for foreign-born males from thirty-nine percent of the native-born average up to sixty-five percent.³¹

Within the group composing the richest one percent of the city's residents, native-born men predominated. Table 10 shows the nativity of the top one percent of adult men in Detroit for all three census years. Men from New England and New York, primarily early Yankee settlers, make up the majority of the group. In contrast to the high percentage of foreign-born residents in the city overall, very few foreign-born residents held a place in the richest one percent. For example, as shown in Table 2, while Germans represented twenty-five percent of total residents in 1870, they composed only nine percent of the wealthiest one percent.³²

³¹ The statistics supporting these conclusions are found in Table 9. Statistics for Detroit were developed from the 1860 and 1870 Detroit Census Datasets. For comparable statistics for other geographic regions of the U.S., see Soltow, *Men and Wealth*, 76-79.

³² The statistics supporting these conclusions are found in Table 10 and were developed from the 1850, 1860 and 1870 Detroit Census Datasets.

Table 10 Nativity of Detroit’s Wealthiest Men (Top One Percent)
1850, 1860 and 1870

Birthplace – Top 1% Adult Males	1850		1860		1870	
Michigan	6	10%	17	15%	31	15%
New England	21	36%	31	27%	45	21%
New York	12	20%	37	32%	61	29%
Other U.S.	<u>6</u>	<u>10%</u>	<u>5</u>	<u>4%</u>	<u>15</u>	<u>7%</u>
Total Native-Born	45	76%	90	78%	152	72%
Canada	2	3%	8	7%	10	5%
Germany	0	0%	10	9%	19	9%
Ireland	1	2%	3	2%	7	3%
England/Scotland/Wales	9	16%	5	4%	21	11%
Other Europe	2	3%	0	0%	1	0%
Other	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>
Total Foreign-Born	14	23%	26	22%	58	28%
Total Top 1% Adult Males	<u>59</u>	<u>100%</u>	<u>116</u>	<u>100%</u>	<u>210</u>	<u>100%</u>

Sources: 1850, 1860, and 1870 Detroit Census Datasets.

Overall, native-born “Yankee” residents born in New York and New England owned the bulk of the city’s wealth giving this native-born group significant economic power within the city.

Tables 3 through 10 demonstrate that, without doubt, the 1850, 1860 and 1870 census records present rich and comprehensive data sources to explore Detroit’s nineteenth-century wealth patterns. These records, however, present several data challenges. First, like all of the census data collected, the wealth information listed in the census schedules is self-reported. On June 9, 1870, the *Detroit Post* printed a long editorial on the need for every citizen to “assist instead of obstructing” the work of the census enumerators.³³ The editorial noted that “there will be on the part of many persons a constitutional dislike to answer such personal questions as have been enumerated, and a shrinking from revealing to a perfect stranger, an official though he be, the secrets which, from motives of pride or delicacy, or vanity, or policy, are often kept securely

³³ *Detroit Post*, “Taking the Census,” June 7, 1870.

locked in the breast.”³⁴ To encourage honest and complete discussions, the newspaper noted that all disclosures would be kept “strictly confidential.”³⁵ Clearly, obtaining accurate census information represented a real concern. This is especially likely with regard to wealth information. While some residents may have exaggerated their wealth, it is equally likely that residents might disguise or hide their true wealth.

In addition, miscommunication across the cultural divide may have jeopardized obtaining accurate information. The *Post* noted the need for enumerators to “approach every individual in a conciliatory manner; respect the prejudices of all; adapt their inquiries to the comprehension of foreigners and persons of limited education.”³⁶ In this regard, an earlier *Post* article noted that in cases where “a foreign language is spoken” enumerators should “employ an interpreter at his own expense.”³⁷ Given the short time period devoted to census enumeration, it seems unlikely that interpreters were used in all cases, thereby decreasing the accuracy of the gathered information for foreign-born individuals, or at least increasing the incidence of missing data. Self-reporting represents one reason to question the complete accuracy of individual census data points.

A second reason to question the complete accuracy of census data, at least for the purpose of creating wealth distribution statistics, stems from missing individuals, or from missing wealth values, in the census schedules. Omitting wealthy residents can disguise and understate the city’s true wealth inequalities. Alexandra McCoy, in her study of Detroit’s 1860 upper-class residents, compared the wealth values found in the 1860 census schedules to the values recorded in Detroit’s personal property tax rolls from the same year. Eighteen of the city’s richest men

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ *Detroit Post*, “U.S. Census,” May 23, 1870.

appearing on McCoy's property tax list, having property assessed at almost \$4.0 million, do not appear in the Detroit census schedules. At the same time, and perhaps offsetting these missing individuals, the 1860 census records show Joseph Campau as having a total estate of \$3.4 million whereas the property tax rolls for Campau only show property valued at \$0.3 million.³⁸ Based on McCoy's analysis, undercounting of wealth occurred in the 1860 census. At the same time, wealth information for the lower classes appears missing as well. Using the 1860 Detroit Census Dataset as an example, approximately 5,400 adult males appear in the 1860 census schedules with total wealth of \$100 or less, with 4,900 having no wealth listed at all. It is hard to believe that all of these men had no cash or possessions of any kind. Assuming each had personal property (furniture and cash) valued at one hundred dollars (a generous allocation given average wages of approximately \$1 per day at the time), the missing wealth for the bottom half of the scale would equal approximately \$475,000. While this is a meaningful figure, it hardly equals the wealth possibly missing at the top.³⁹ On the whole, based on these findings, Detroit's census schedules probably understate the city's wealth inequalities.

Despite the above described data challenges, an overall picture of wealth inequality still emerges for the city. In his analysis of census wealth data for Milwaukee, Soltow discussed these same sort of data challenges. He compared census data to property tax records for the same period, and to national estimates made by other scholars. This analysis gave him "great confidence" in the 1860 census data. However, he believed the census data for 1870 seemed questionable because the "reported wealth per capita did not increase as much as prices from 1860 to 1870."⁴⁰ Even so, he concludes that the "measures of relative dispersion are

³⁸ Alexandra McCoy, "Political Affiliations of American Economic Elites: Wayne County, Michigan, 1844, 1860, As A Test Case" (Ph.D. diss., Wayne State University, 1965), 77-82.

³⁹ Data and calculations based on the 1860 Detroit Census Dataset.

⁴⁰ Soltow, *Wisconsin*, 28.

meaningful.”⁴¹ Similarly, Piketty argues that census wealth statistics are interesting “mainly as indicators of orders of magnitude” but not as absolute measures of certainty.⁴²

Overall, despite the data challenges discussed above, the Detroit Census Datasets employed in this paper offer a clear picture of significant wealth inequality within mid-nineteenth-century Detroit. The wealth patterns resulting from the Detroit Census Datasets compare quite closely to those of other major U.S. and Canadian urban areas validating the methods used to develop them and showing the similarity of Detroit’s patterns to similar urban areas. Consistent with Soltow’s findings, Detroit’s residents saw increased wealth with age, and increased wealth for foreign-born residents based on longer residence within the city. Finally, the Datasets show that the high wealth concentration was further concentrated within the city’s native-born Yankee community. Understanding wealth inequality within nineteenth-century Detroit provides a valuable background for understanding the city’s economic, political and social history. It also helps support the overall effort to better understand the trends in wealth holding within the United States and the impact of industrial capitalism that emerged in urban spaces like Detroit during the second half of the nineteenth century.

⁴¹ Ibid., 67.

⁴² Piketty, 282.

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