Econ 634 HW 2

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Question 3: EITHER replicate Tables 1 and 2 from DGR (2011) using the 2007 Survey of Consumer Finances, OR update their tables 1 and 2 using the more recent wave of the survey from 2013 (compare the results to Kuhn/Rios- Rull). Follow the methodology as described in their text. Plot the Lorenz curves for earnings, income and wealth.

**Table 1: Quantiles of the 2013 Earnings, Income, and Wealth Distributions (x 103 USD)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Quantiles | 0 | 1 | 5 | 10 | 20 | 40 | 60 | 80 | 90 | 95 | 99 | 100 |
| Earnings | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 19.7 | 48.3 | 103.2 | 194.6 | 321.4 | 1,063 | 22,100 |
| Income | -.009 | 0.43 | 9.6 | 15.0 | 23.0 | 44.0 | 79.3 | 180.3 | 638.2 | 2,178 | 10,762 | 177,000 |
| Wealth | -375.0 | -30.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,500 |

**Table 2: Concentration and Skewness of the Distributions**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Earnings | Income | Wealth |
| Coefficient of variation | 5.32 | 7.05 | 54.55 |
| Variance of the logs | 19.88 | 2.62 | 4.72 |
| Gini index | 0.80 | 0.91 | 0.64 |
| Top 1%/ lowest 40% | 31 | 362 | und. |
| Location of mean (%) | 83 | 90 | 99 |
| Mean/median | 3.55 | 14.48 | und. |

Lorenz Curve for Income



Lorenz Curve for Wealth



Lorenz Curve for Earnings

