

PROBLEM SET 2

XIANGKUN DAI

1. QUESTION 1

2. QUESTION 2

3. QUESTION 3

TABLE 1. Quantiles of the 2007 Earnings, Income, and Wealth Distributions
($\times 10^3$ 2007 USD)

Quantiles	0%	1%	5%	10%	20%	40%	60%	80%	90%	95%	99%	100%
Earnings	-1576.0	0.0	0.0	0.0	0.0	26.2	51.4	89.1	128.5	183.6	506.4	164599.0
Income	-515.4	4.3	9.1	12.6	20.4	37.0	59.9	100.6	144.7	211.2	693.6	190767.2
Wealth	-482.7	-31.9	-4.70	0.0	7.5	66.2	201.7	506.4	927.6	1936.4	8534.1	1438628.0

TABLE 2. Concentration and Skewness of the Distributions

	Earnings	Income	Wealth
Coefficient of variation	3.60	4.32	6.01
Variance of the logs	1.29	0.99	4.53
Gini index	0.64	0.58	0.82
Top 1% / lowest 40%	1264.51	183.88	3428.76
Location of mean (%)	0.69	0.74	0.82
Mean / median	1.72	1.77	4.60