THE RISE OF INCOME AND WEALTH INEQUALITY IN AMERICA: EVIDENCE FROM DISTRIBUTIONAL MACROECONOMIC ACCOUNTS

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Bridge the gap between

macroeconomic analysis and the study of inequality

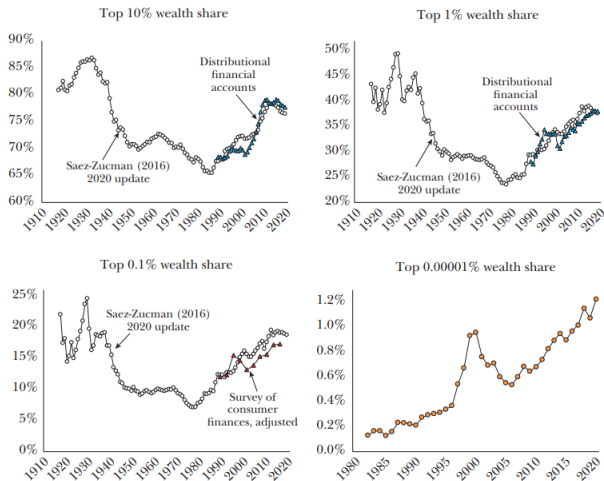by computing income growth rates for the different social groups

POSITIONING

- Saez and Zucman (2016)
  - Produced estimates of US wealth inequality allocating 100 percent of the household wealth recorded in the Financial Accounts
- Alvared et al(2020)
  - Distributional National Accounts Guidelines
- Federal Reserve Official Distributional Financial Accounts
  - High-quality wealth survey that oversamples the rich
  - It is convertible with Saez and Zucman (2016)
- What does this paper do?
  - Present the organized results that is calculated using Saez and Zucman (2016)
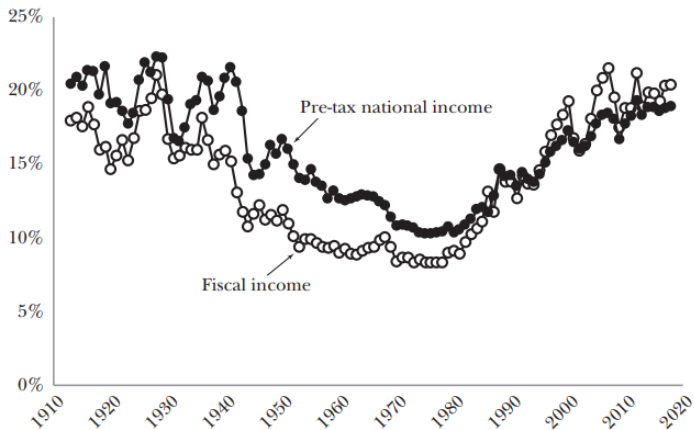
RESULTS

Figure 1
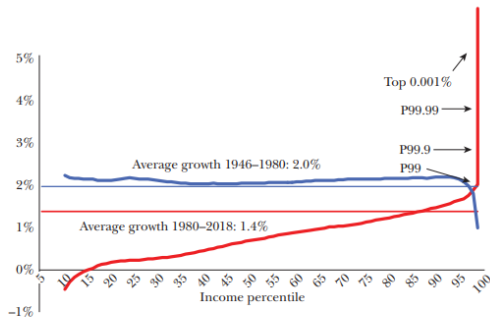**Top Wealth Shares in the United States: Comparing Estimates**

Figure 3
Share of Income Earned by the Top 1 Percent

RESULTS

Figure 4
Average Annual Income Growth Rates

Note: This figure depicts the annual real pre-tax income growth per adult for each percentile in the 1946–1980 period (in blue) and 1980–2018 period (in red). From 1946 to 1980, growth was evenly distributed with all income groups growing at the average 2 percent annual rate (except the top 1 percent which grew slower). From 1980 to 2018, growth has been unevenly distributed with low growth for bottom income groups, mediocre growth for the middle class, and explosive growth at the top.

RESULTS

Figure 6
The Evolution of Bottom 50 Percent Incomes