Day 1: Introduction and Core Concepts

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To motivate this exercise, we will read: Alvaredo, Facundo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman. 2017. "Global Inequality Dynamics: New Findings from WID.world." American Economic Review, 107 (5): 404-09.

Inequality between Individuals

In this problem we will replicate 4 main pieces of the paper. The first exercise will involve replicating Figure 1 of the paper, which shows the top 1% and bottom 50% income shares in different countries. The second exercise will be to replicate Table 1, which measures bracketed real income growth in different countries. The third exercise is to replicate Figure 2, which shows the share of public wealth in net national wealth in different countries. The last exercise will be to replicate Figure 3, which follows the evolution of the top 1% wealth share in different countries. All this exercises will use the `ACPSZ2017.xlsx` excel sheet as its data source.

Exercise 1: Figure 1

1. Take the `Data3` sheet of the excel file. Set the top 1% share series as percentages. Plot the evolution of the top 1% in time for China, France and the US. Call this Panel A.

1. Take the `Data3` sheet of the excel file. Set the bottom 50% share series as percentages. Plot the evolution of the bottom 50% in time for China, France and the US. Call this Panel B.

Exercise 2: Table 1

1. Take the `Data 4` sheet of the excel file. Then for China, France and the US, calculate real income growth within the full population, bottom 50% , middle 40% and top 10%. In the top 10% bracket separate the calculation including top 1% 1, including top 0.1%, including top 0.01% and including top 0.001%.

Exercise 3: Figure 2

1. Take the `Data2` sheet of the excel file. Set the national wealth share share series as percentages. Plot the evolution of the public wealth share in time for China, France, the US, the UK, Japan, Germany and Norway.

Exercise 4: Figure 3

1. Take the `Data5` sheet of the excel file. Set the top 1% wealth share share series as percentages. Plot the evolution of the top 1% wealth share in time for China, France, the US and the UK.

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