Session A-3:
New Findings on Wealth of U.S. Households

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Disadvantaged families in the Great Recession and its aftermath,
by Lisa Dettling and Joanne Hsu

- The analysis uses the SCF data from 1989 to 2016 to assess the impact of the Great Recession and recovery on wealth.

- Bottom half of the wealth distribution gained very little during the economic recovery.

- The analysis considers different components of wealth, and

- Concludes the main source of the lack of recovery for those in the bottom of wealth distribution was continued declines in home ownership with some contribution of continued declines in stock ownership (retirement plans, etc.).

SCF Disadvantaged families and the Great Recession

- A very useful decomposition of the differences illustrates the impact of the recession and recovery by simulating if home ownership at the 25th percentile in 1989 occurred in 2016.

- The data are a series of cross-sections and the families in the percentiles shift over time.

- How does the demographic composition of the households change over time? Ex. Marital status.

-   Perhaps an alternative could be to follow ten-year birth cohorts across the samples.

Wealth data in the redesigned 2014 SIPP
by Jonathan Eggleston and Michael Gideon

- The analysis compares SIPP to the SCF in the possession of and amount of wealth in various holdings.

- This analysis does a good job comparing the data for the 2014 and 2010 SIPP to the 2013 and 2010 SCF. The authors appropriately account for design differences in unit of analysis. Moreover, the 2014 SIPP seems closer to the SCF estimates than the 2010 SIPP.

- What is the effect of the substantial level of missing data and imputations of the missing data?

Wealth data in the redesigned 2014 SIPP

- For retirement accounts and some financial holdings, about two-fifths of the data are imputed in the SIPP—about double the SCF.

- What is the effect of imputing missing data from hot deck rather than models.

- The National Academy of Science study group contracted by Census criticized the hot deck method and recommended modelling. Census conducted model imputations for income but not wealth.

Wealth distribution and retirement adequacy among early savers by Thompson et. al-SCF

- The analysis is a sophisticated approach to generating wealth from Social Security and Defined Benefit Pensions in financial wealth reported in the 1989 to 2016 SCF.

- Almost half of beneficiaries aged 65 and older live in families receiving at least half of its income from Social Security. Omitting SS wealth is a substantial omission.

- The analysis conducts sophisticated modelling to generate lifetime earnings from a series of Current Population Surveys in 1964 to SCF respondents. The analysis then creates SS benefits for the aged at age 62 take-up.

- What is the bias from omitting non-covered earnings?

Wealth distribution and retirement adequacy among early savers

- Can this year-by-year set of estimates generate a credible pattern of a person's highest 35 years of covered earnings?

- The pattern of earnings across an individual's lifetime varies and may not be accurately represented by a series of one year earnings estimates. Bosworth, Burtless, and Steurele (2001 in SSB V. 63 No.4) show at least three common patterns across a work life—linear, sagging and humped that vary by associated characteristics. The indexing formula for SS benefits weights different years and the pattern substantially affects benefits.

- The DB pension estimate is based on distributing aggregate financial holdings.

- How does the method take into account the pensions of Public rather than Private sector employees?

The Color of Wealth in LA
Hamilton et al.

- A case study comparing many aspects of wealth for many specific groups defined by race/ethnicity.

- Finds major disparities of wealth accumulation by subgroups.

- Very rich descriptive data and very interesting .

- What is the non-response rate to the data collection?

- The overall project had 733 surveys using many sample frames- land lines, phones, "rate centers", billing addresses, surnames.

The Color of Wealth in LA

- Very large number of attempts to get interviews (hundreds of thousands). Resulted in 2,746 completed interviews.

- Weighting by U.S. Census ACS 2011-2013 is supposed to establish standard errors for significance testing.

- This seems more like a quota sampling approach to data collection- interviews do not have a known probability of selection.