

Macro Roundup Article

Headline: [Is America Today Really No More Unequal Economic Class-Wise than It Was in 1960?](#)

Article Link: <https://braddelong.substack.com/p/is-america-today-really-no-more-unequal>

Author(s)	Brad DeLong
Publication	Brad DeLong's Grasping Reality
Publication Date	January 09, 2024

Tweet: [@delong](#) noting the 30X increase from 1982 to 2023 in the ratio of top wealth to median family income argues “the chances are 99% that there are big things wrong in the numbers in Auten/Splinter” that show stable after-tax top income shares since 1960.

Summary: In the US in 1982, the top of the first Forbes 400 list was Daniel Ludwig with nominal \$2 billion. That was 85,000 times the then-median nominal family income of \$23,430. In 2023, the top of the Forbes 400 was Elon Musk with nominal \$251 billion. That was 2,500,000 times the now-median nominal family income of \$98,705. Now: $(\$251\text{B}/\$99\text{K})/(\$2\text{B}/\$23\text{K}) = 29.8$ How the f*** is the ratio of the top to the median to explode by a factor of 30 while the Auten/Splinter measures show “little change in after-tax top income shares”? Until someone comes up with an explanation for how this could be—how a 30x multiplication since 1982 of the ratio of the top of the Forbes 400 to median household income is consistent with “top income shares are lower and have increased less since 1980 than other studies... increasing government transfers and tax progressivity have resulted in... little change in after-tax top income shares...” —I am going to presume the chances are 99% that there are big things wrong in the numbers in Auten/Splinter. Related: Income Inequality in the United States: Using Tax Data to Measure Long-Term Trends and Comment on Auten and Splinter (2023) and Short Reply: Comment on Auten and Splinter (2023)

Primary Topic: Inequality

Topics: Database, Inequality, Op-Ed/Blog Post, Wages/Income, Workforce

Permalink: <https://www.edwardconard.com/macro-roundup/delong-noting-the-30x-increase-from-1982-to-2023-in-the-ratio-of-top-wealth-to-median-family-income-argues-the-chances-are-99-that-there-are-big-things-wrong-in-the-numbers-in-auten-splinter?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2024/01/DeLong-AS-PSZ.png>