

Macro Roundup Article

Headline: [The Life-Cycle Dynamics of Wealth Mobility](#)

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Tweet: Norwegian tax records show that individuals born into the top 21% of the distribution or the bottom 42% tend to stay in these groups for life. Inter-generational mobility is primarily driven by movement within the middle of the distribution.
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Summary: Two groups of individuals, which we label “high-ranked” and “low-ranked,” start their lives at the top or the bottom of the wealth distribution and tend to stay there. They make up 21 and 42% of the cohort, respectively. This does not imply that their wealth rank is fully stable but that it tends to stay within the upper or lower part of the wealth distribution, as made clear by the small changes in the interquartile range of the distribution of ranks. The other two groups, which we label “middle-rise” and “middle-fall”, correspond to the remaining 21 and 15% of the cohort, respectively. They stay in the central part of the distribution, but have, respectively, increasing and decreasing wealth rank trajectories. These trajectories lead them to overlap with the high-ranked and low-ranked groups by age 55. Crucially, the reversal of fortune experienced by these groups is the key driver behind the population intragenerational mobility trend. Mobility is not universal; rather, it is limited to segments of the population.

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Primary Topic: Inequality

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