

## Macro Roundup Article

**Headline:** [Measuring Income Inequality: A Primer On The Debate](#)

### Article

**Link:** <https://www.brookings.edu/articles/measuring-income-inequality-a-primer-on-the-debate/>

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Publication	Brookings Institution
Publication Date	January 02, 2024

**Tweet:** Weighing in on the AS/PSZ debate @WilliamGale2 John Sabelhaus @samthorpe\_\_ argue that "the preponderance of evidence suggests that income inequality has increased" in the US and other advanced economies.

**Summary:** From 1960 to 2019, the after-tax-and-transfer share of national income going to the top 1% rose by 6pp according to PSZ but only 1pp according to AS. Part of the difference between the two is related to their measurement of pre-tax income shares. PSZ find the top 1% share of pre-tax income rose by 6 percentage points (from 13% to 19%) and AS estimate the increase to be 4pp (from 10% to 14%). But different estimates of pre-tax income shares only explain 2 of the 5pp discrepancy. The remaining 3-point gap results from different estimates of the effects of tax and transfer policies. The preponderance of evidence suggests that income inequality has increased, both in the U.S. and in other countries. Evidence also shows U.S. inequality increasing in other measures, such as health, mortality, and wealth. It is hard to see why inequality on other dimensions would have increased, in some cases substantially, if the distribution of income had not changed. 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

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