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Macro Roundup Article

Headline: A New and Different Measurement of Changes in Income Inequality

Article Link: https://www.aei.org/economics/a-new-and-different-measurement-of-changes-in-income-inequality/

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Tweet: Citing Gerald Auten and David Splinter's recent work that found after taxes and transfers the income of the bottom half of the distribution has increased by two-thirds, Mark Warshawsky @AElecon argues the case for further redistribution is weak.

Summary: New research by federal government economists Gerald Auten and David Splinter show that after making many sensible corrections and adjustments and considering taxes and government benefit programs, top income shares are now about the same as in the early 1960s. When one also considers strong evidence that the top one percent group is not static, but that there is substantial mobility into and out of various income groups over time, and that, contrary to Picketty's result that the after-tax and transfer income of the bottom half of the income distribution remained unchanged, but that, rather, according to Auten and Splinter, it increased by two-thirds, similar to the higher income groups, the case for yet more redistribution efforts, such as increasing Social Security benefits, is considerably weakened.

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Primary Topic: Inequality

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

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