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Macro Roundup Artcile

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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Publication	American Enterprise Institute
Publication Date	December 11, 2023

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. Related: Income Inequality in the United States: Using Tax Data to Measure Long-Term Trends and Elon Musk Today Claims Wealth Equal to 2.5 Million Times Median Household Income; His Predecessor Daniel Ludwig in 1982 Claimed Only 85 Thousand Times and The Economics of Inequality in High-Wage Economies

Primary Topic: Inequality

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

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