

Macro Roundup Article

Headline: [Was Rising Inequality behind Falling Absolute Mobility? Reassessing Chetty et al. \(2017\)](#)

Article Link: <https://www.aei.org/wp-content/uploads/2022/12/Was-Rising-Inequality-Behind-Falling-Absolute-Mobility.pdf?x91208>

Author(s)	Scott Winship
Publication	American Enterprise Institute
Publication Date	December 02, 2022

Tweet: [. @AEI's @swinshi revisits Raj Chetty's data and argues that contrary to Chetty's findings, slower economic growth has been a much more important driver of the reduction of absolute mobility than the rise in inequality.](#)

Summary: Higher growth would have raised absolute mobility from 50% to 81%, while lower inequality would have increased it to just 57%. This is almost the mirror image of the Chetty findings. Chetty also reported trends looking at absolute mobility for the 1970 cohort as of age 40 rather than for the 1980 cohort at age 30 (Figure S12 in their paper.) These analyses showed that in the “high growth” counterfactual, instead of 56% of the 1970 birth cohort experiencing absolute mobility, 67.5% would have. Meanwhile, in the “low inequality” counterfactual, the rate was 74%. However, using my approach, the “high growth” scenario produced an absolute mobility rate of 78.5%, while the “low inequality” scenario featured a rate of 63%. Again, the Chetty conclusion about the importance of growth versus inequality reverses.

Related Articles: nan

Primary Topic: Inequality

Topics: Database, Inequality

PDF File URL: <https://www.edwardconard.com/wp-content/uploads/2022/12/Was-Rising-Inequality-behind-Falling-Absolute-Mobility.pdf>

Permalink: <https://www.edwardconard.com/macro-roundup/aeis-swinshi-revisits-raj-chettys-data-and-argues-that-contrary-to-chettys-findings-slower-economic-growth-has-been-a-much-more-important-driver-of-the-reduction-of-abso?view=detail>