

# *Tufte Handout*

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Table 1: Real wages Gini coefficient by decade. The higher the coefficient the more unequal are the earnings. A coefficient of zero all individuals have the same income

Category	GiniValue
1950	0.43
1960	0.38
1970	0.37
1980	0.41
1990	0.43
2000	0.42

## *Introduction*

First, starting with the first moment, we find that average earnings growth over the life cycle varies strongly with the level of lifetime earnings: the median individual by lifetime earnings experiences an earnings growth of 38% from ages 25 to 55, whereas for individuals in the 95th percentile, this figure is 230%; for those in the 99th percentile, this figure is almost 1500%.<sup>3</sup>

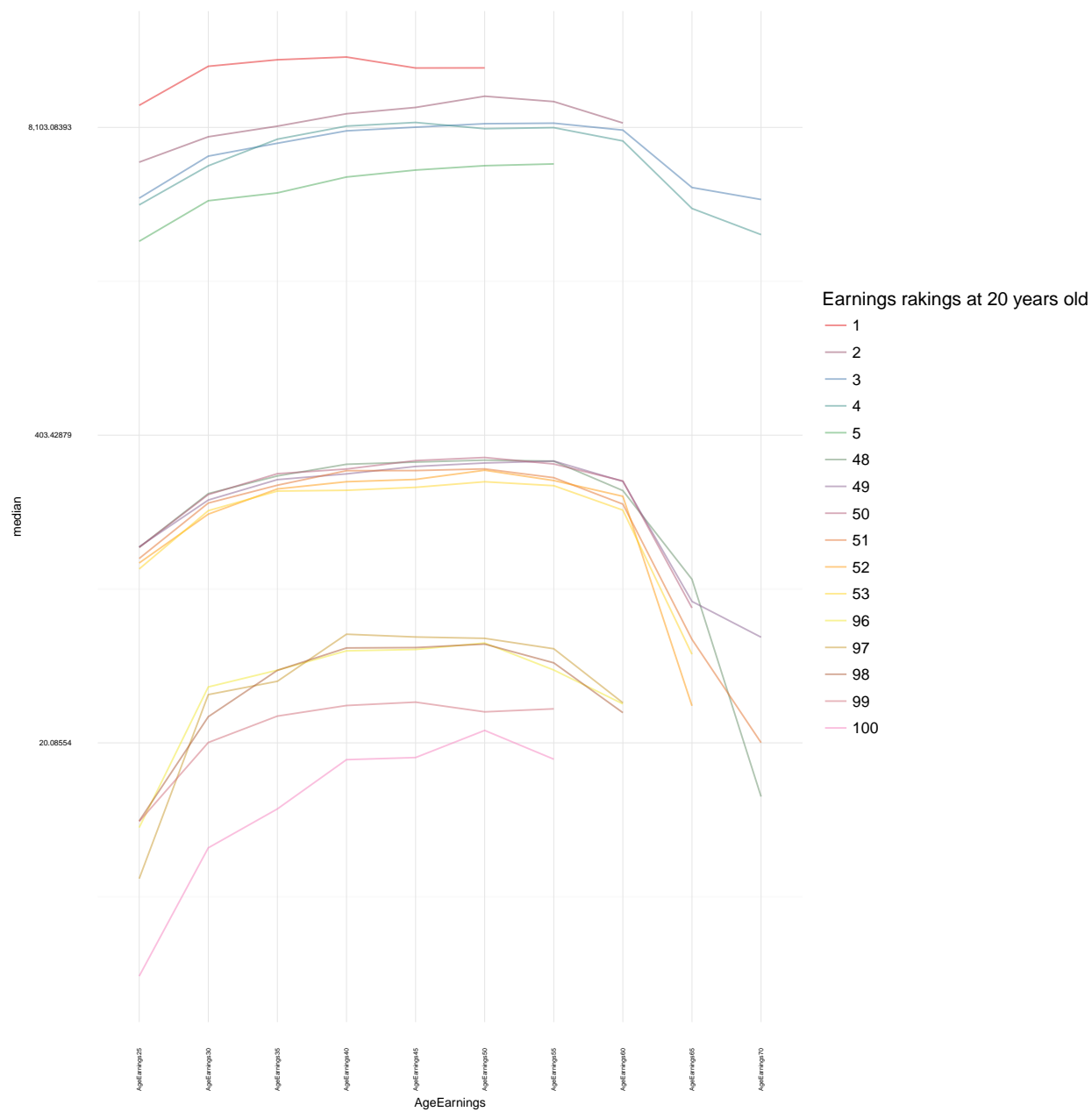
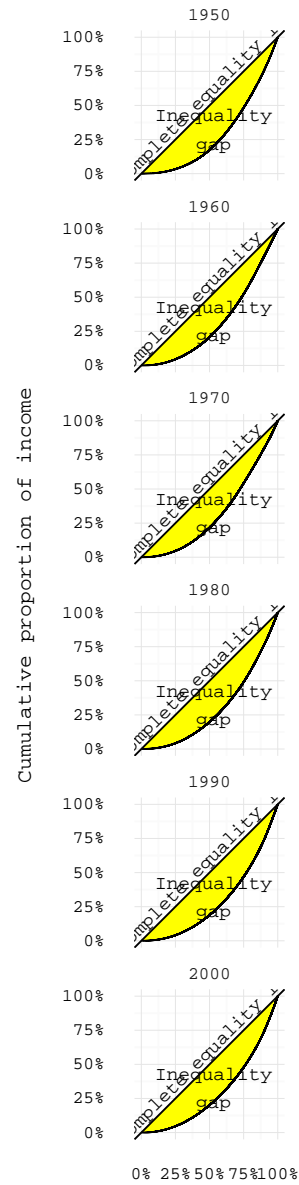


Figure 1: Percent Wage Increase By Earnings Percentile at 20 years old

## Cumulative distribution of real wages



Source: SSA's Master Earnings File  
2006 Earnings Public-Use File

Figure 2: Percent Wage Increase By  
Earnings Percentile at 20 years old