

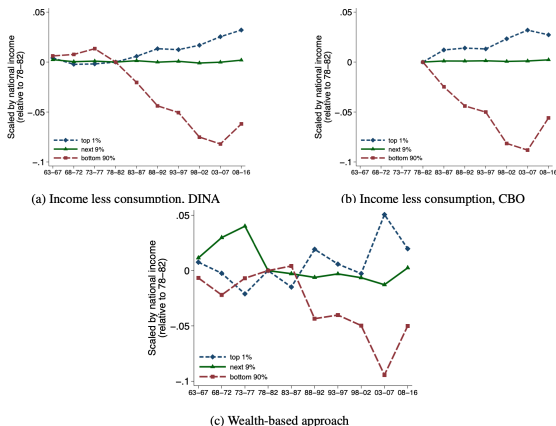
# Savings Across the Wealth Distribution

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Figure 3: Saving across the Distribution



Mian, Atif R. and Straub, Ludwig and Sufi, Amir, "The Saving Glut of the Rich". February 2021, NBER (page 18)

# The Saving Glut of the Rich

## The Income Based approach

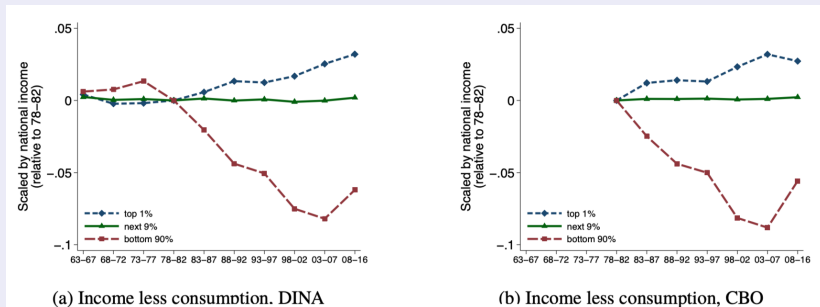


Figure 1: Mian, Straub and Sufi (2021), page 18.

# The Saving Glut of the Rich

## The Wealth Based approach

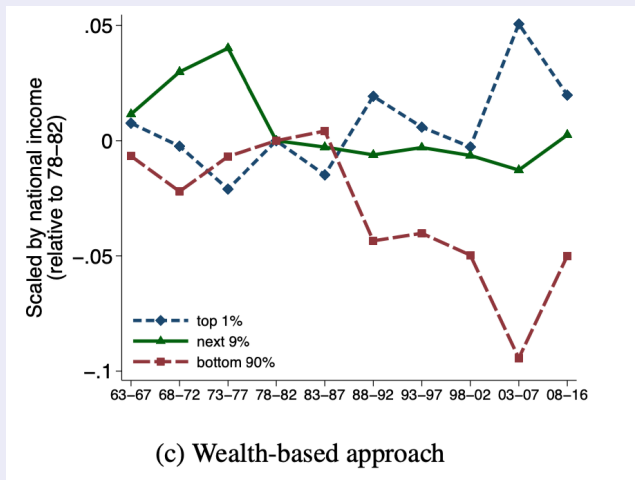


Figure 2: Mian, Straub and Sufi (2021), page 18.

# Implications and Discussion

- Excess savings has not lead to increase in domestic investment
- Possible driver of low interest rates (pre-2022) and high public debt levels
  - ▶ Rich own half of US public debt
  - ▶ Low rates discourage saving by other parts of distribution
- Rich overwhelmingly hold financial assets
  - ▶ Think back to the 2008 Financial Crisis!

Risk of perpetual wealth inequality: Lower parts of distribution cannot accumulate wealth if they do not save...