An Example from Economics, Part II - Quiz

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Question 1

1/1 point (graded)

Which of the following are findings of the Chetty et al. (2016) study discussed in this lecture segment? (Select all that apply)

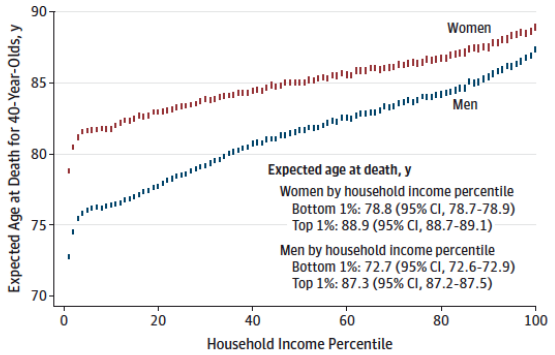
- [x] a. There is significant geographic variation in life expectancy across the United States
- [ ] b. Within the same city, residents in the top 1% income bracket have the same life expectancy as those in the bottom 1%.
- [x] c. Life expectancy is linear in income percentile
- [ ] d. On average, the top 1% live only a few years longer (< 5 years) than those in the bottom 1%.

✔

Explanation

The graph below shows that on average, those in the top 1% income bracket live 10 years longer than those in the bottom 1%. As Prof. Duflo mentions during this segment, while the fact that the rich live longer than the poor was not particularly striking, the fact that it was of this magnitude was a bit surprising.

Figure 2. Race- and Ethnicity-Adjusted Life Expectancy for 40-Year-Olds by Household Income Percentile, 2001-2014

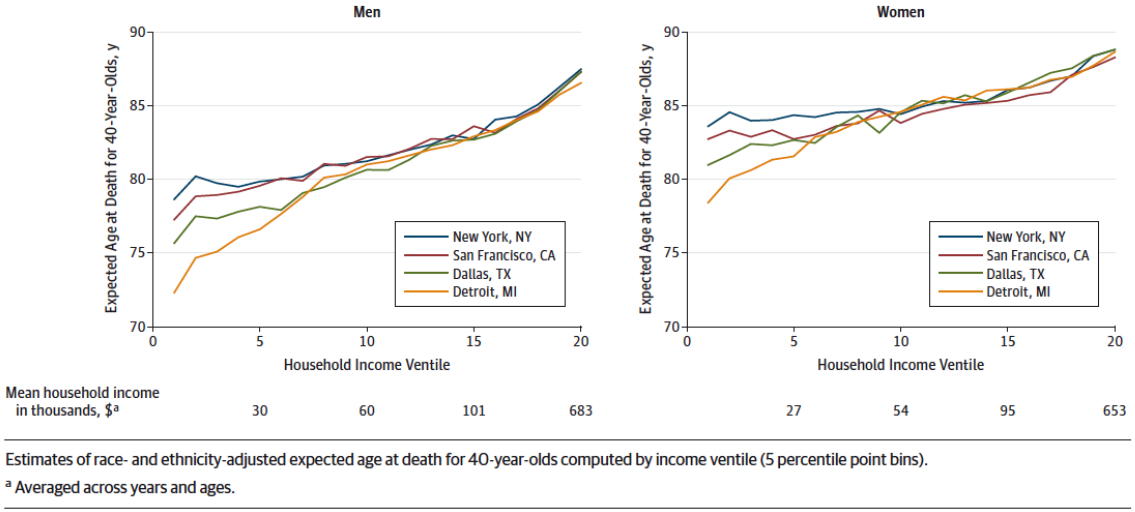


Mean household income in thousands, $[a]					
Women	24	45	71	112	1.9 million
Men	26	50	77	119	2.0 million

Life expectancies were calculated using survival curves analogous to those in Figure 1. The vertical height of each bar depicts the 95% confidence interval. The difference between expected age at death in the top and bottom income percentiles is 10.1 years (95% CI, 9.9-10.3 years) for women and 14.6 years (95% CI, 14.4-14.8 years) for men. To control for differences in life expectancies across racial and ethnic groups, race and ethnicity adjustments were calculated using data from the National Longitudinal Mortality Survey and estimates were reweighted so that each income percentile bin has the same fraction of black, Hispanic, and Asian adults.

[a] Averaged across years and ages. The data are in thousands unless otherwise indicated.

Additionally, the same study found that within the same city, there are significant differences in life expectancy based on income, with the rich outliving the poor, as shown in the below graph. These two findings directly contradict statements B and D, and therefore statements B and D are incorrect. Both A and C were mentioned during this segment and the previous one as key findings of this study.



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