Making Policy with Data

An Introductory Course on Policy Evaluation

Policy Briefing

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Inequality in the United States

- Income inequality has increased dramatically in recent decades
- Until recently, we don't have good data to analyze this issue
- New data source: IRS tax return
- Research led by economist Emmanuel Saez and his coauthors

Sources:
http://equitablegrowth.org/research-analysis/u-s-income-inequality-persists-amid-overall-growth-2014/

http://inequality.org/income-inequality/

Income Growth: Bottom 99% vs. Top 1%

The Wealthiest American Families Growing Ever Richer

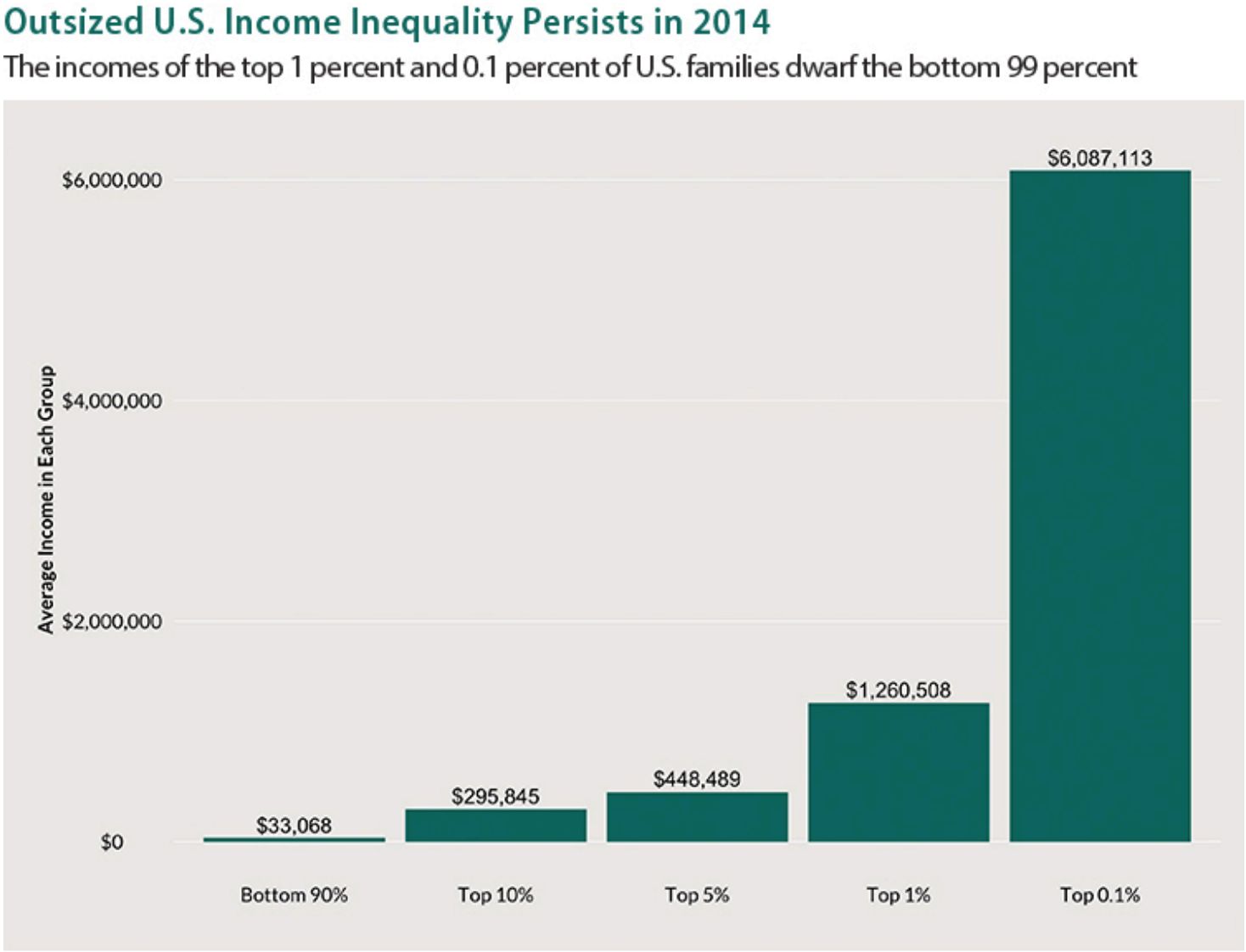
Strong income growth in 2014 for families in the bottom 99 percent of earners eclipsed by the top 1 percent

Source: Emmanuel Saez and Thomas Pikkety's analysis of IRS data.

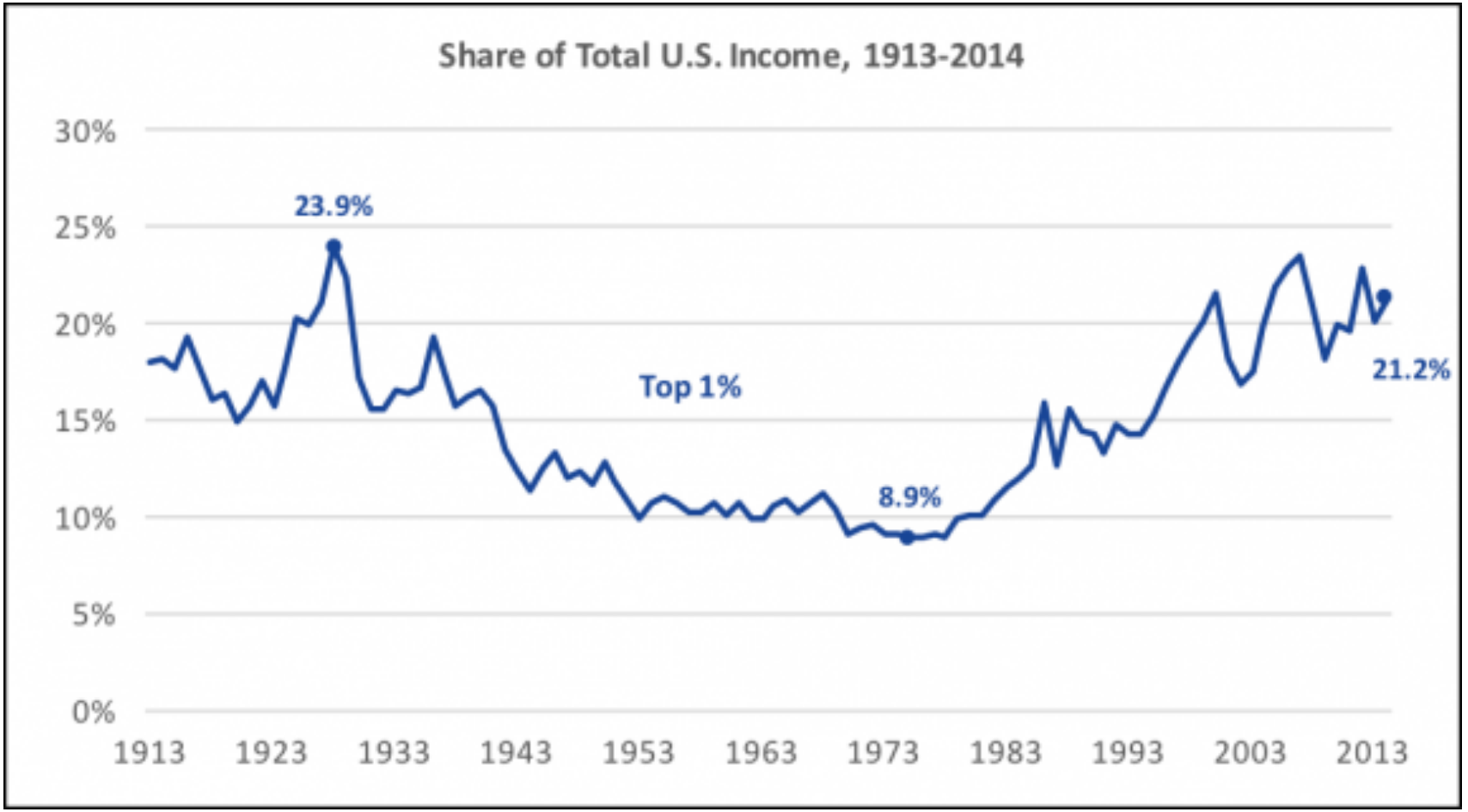
Income Growth: Bottom 99% vs. Top 1%

- For the bottom 99 percent of income earners, 2014 is the first year of real recovery from the income losses sparked by the Great Recession of 2007-2009.
- These families recovered slightly less than 40 percent of their income losses due to the Great Recession.
- Those at or near the top of the income ladder did substantially better in 2014.

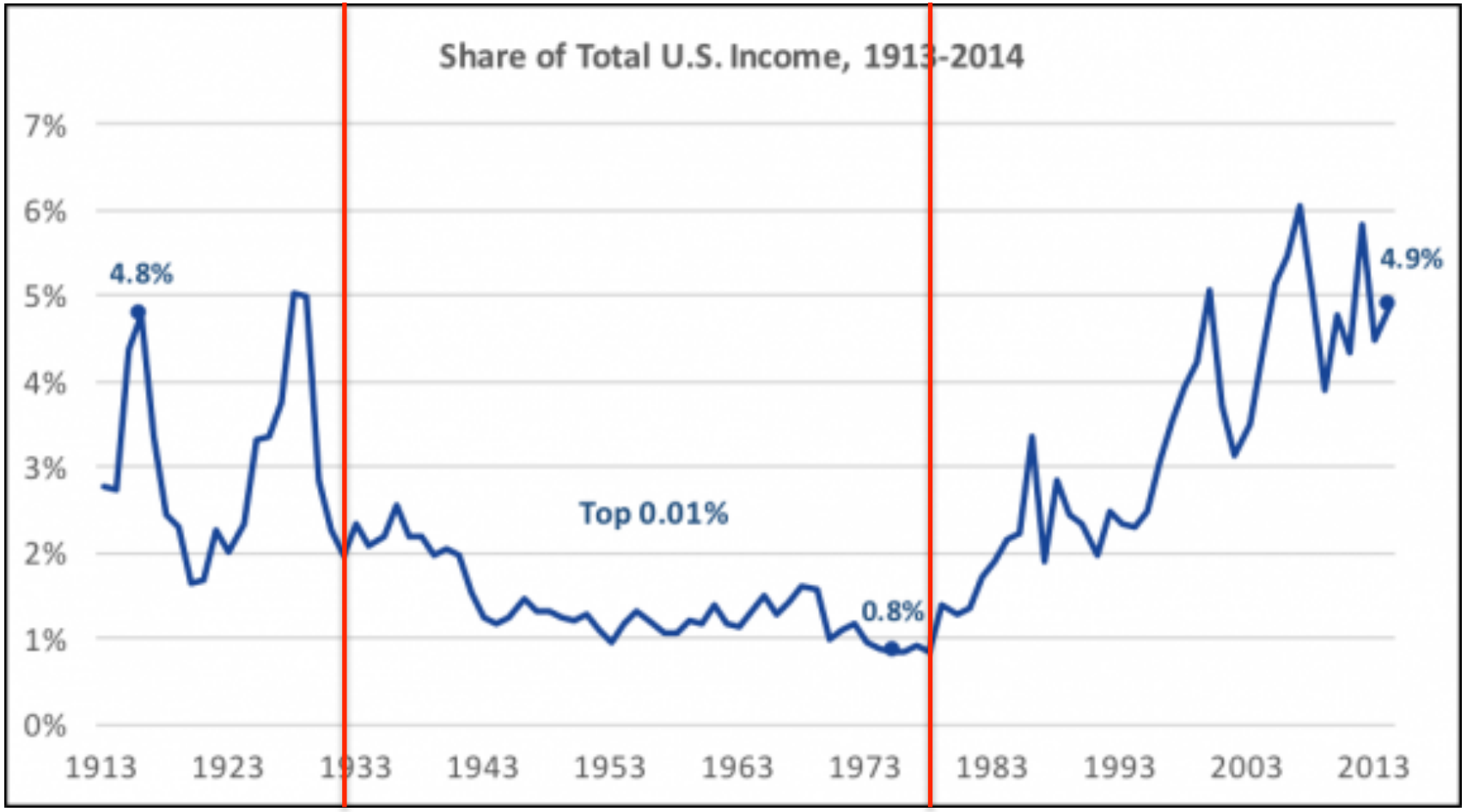
Average Income: Bottom 99% vs. Top 1%



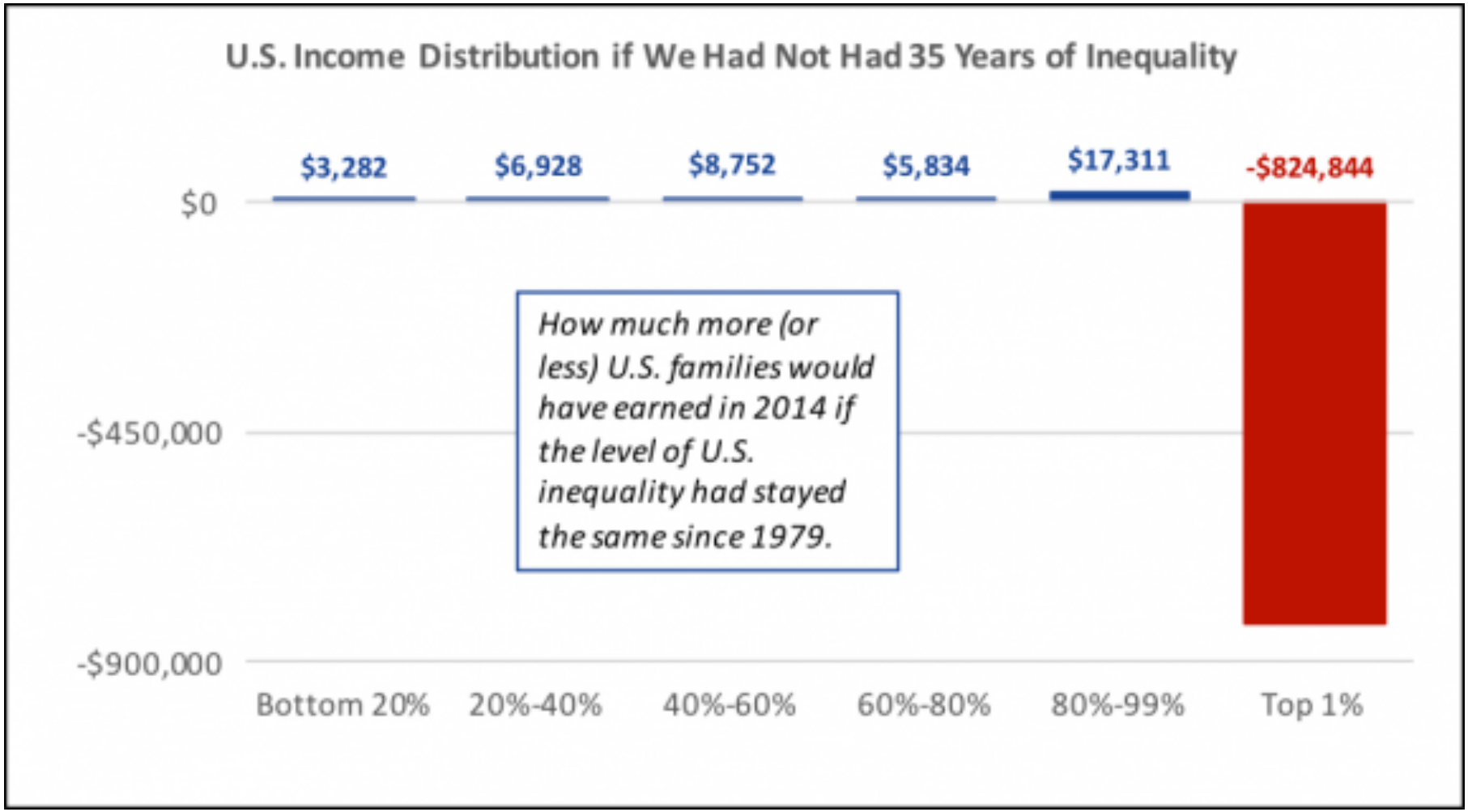
Top 1%'s Share of Total US Income: 1913—2014



Top 0.1%'s Share of Total US Income: 1913—2014

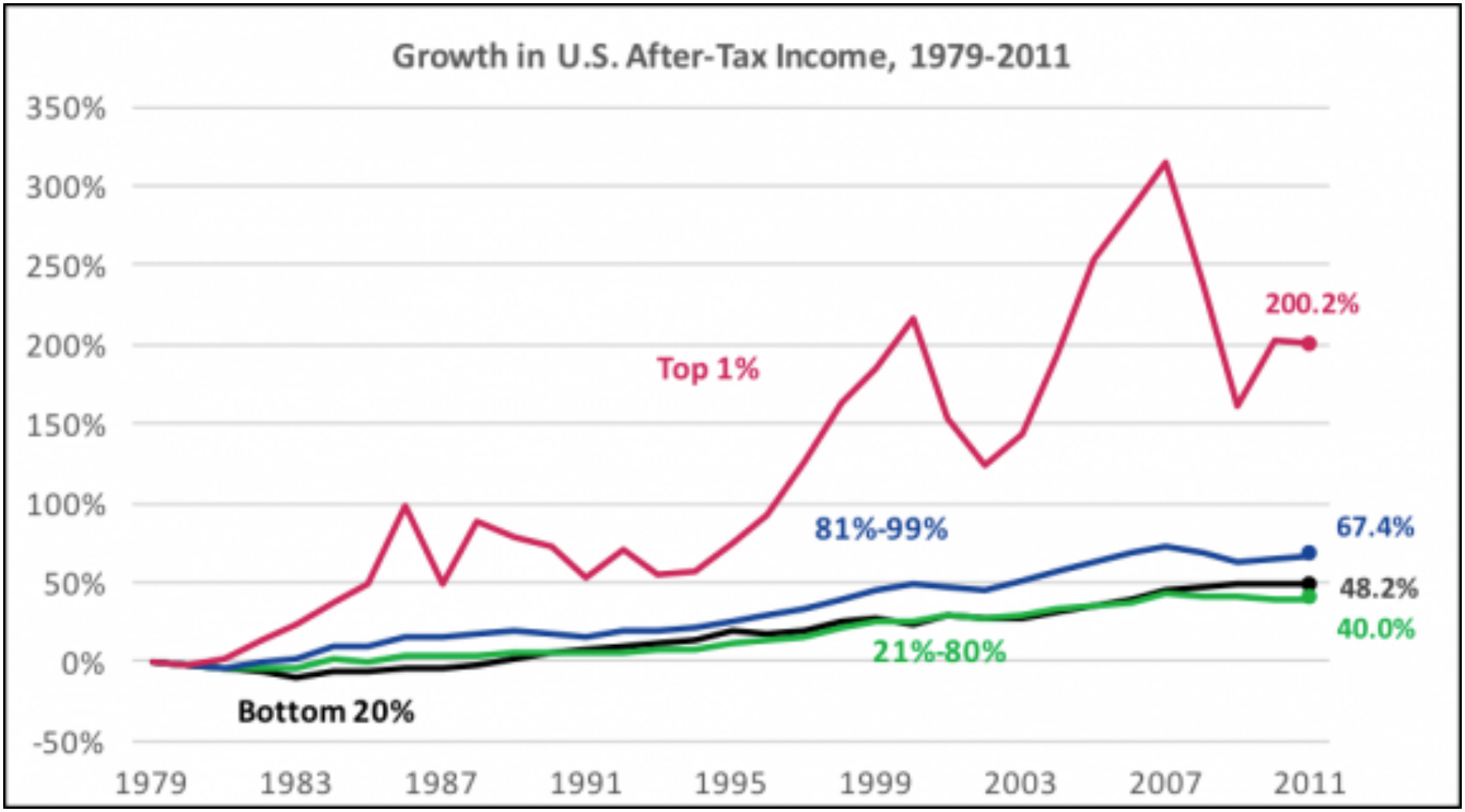


What if the Society were as Equal as in 1979

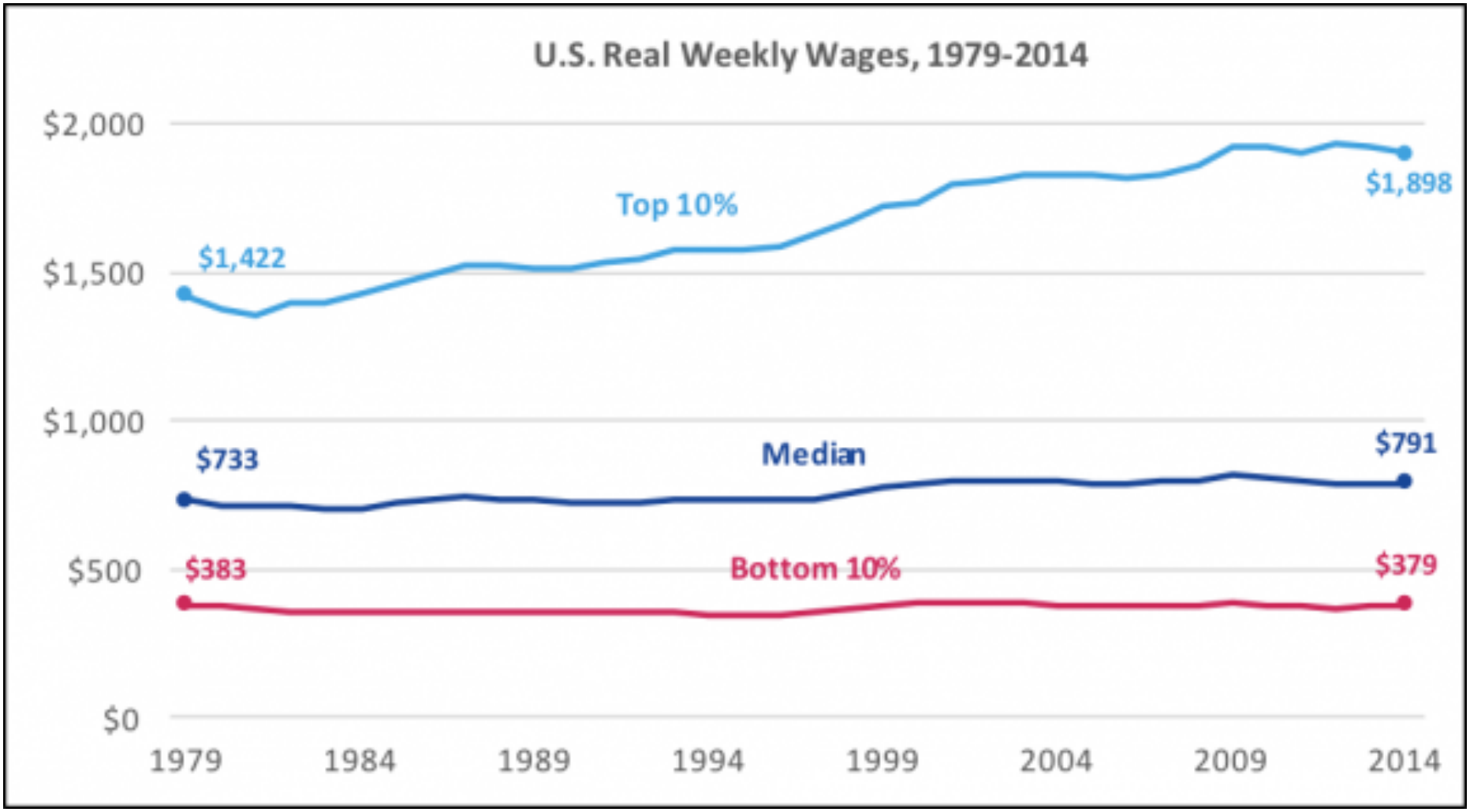


Income Growth: Top 1% vs. Bottom 20%

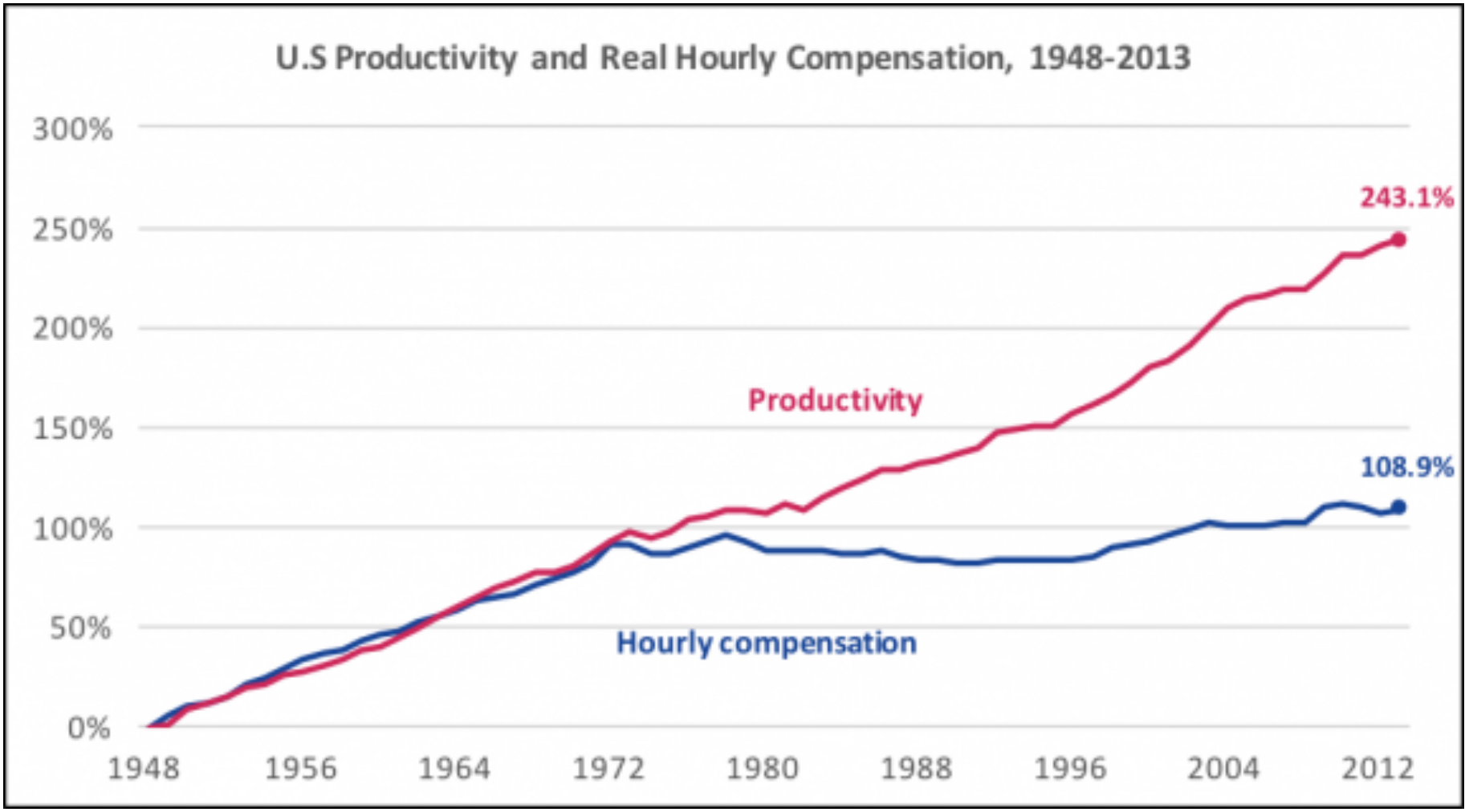
Taxes Policies Favor Top 1%



Stagnant Wages for the Poor



Productivity and Wage Diverge



Buzzword:

Unstructured Data

Unstructured Data

- Broadly refers to data that can't be fit into the usual data model of rows and columns.
- Videos, texts, emails, images, sound, hand gestures, etc
  - Most of them won't neatly fit into the construct of usual prediction models, but they might contain lots of useful information
- **Feature engineering:** the process of transforming unstructured data to structure data