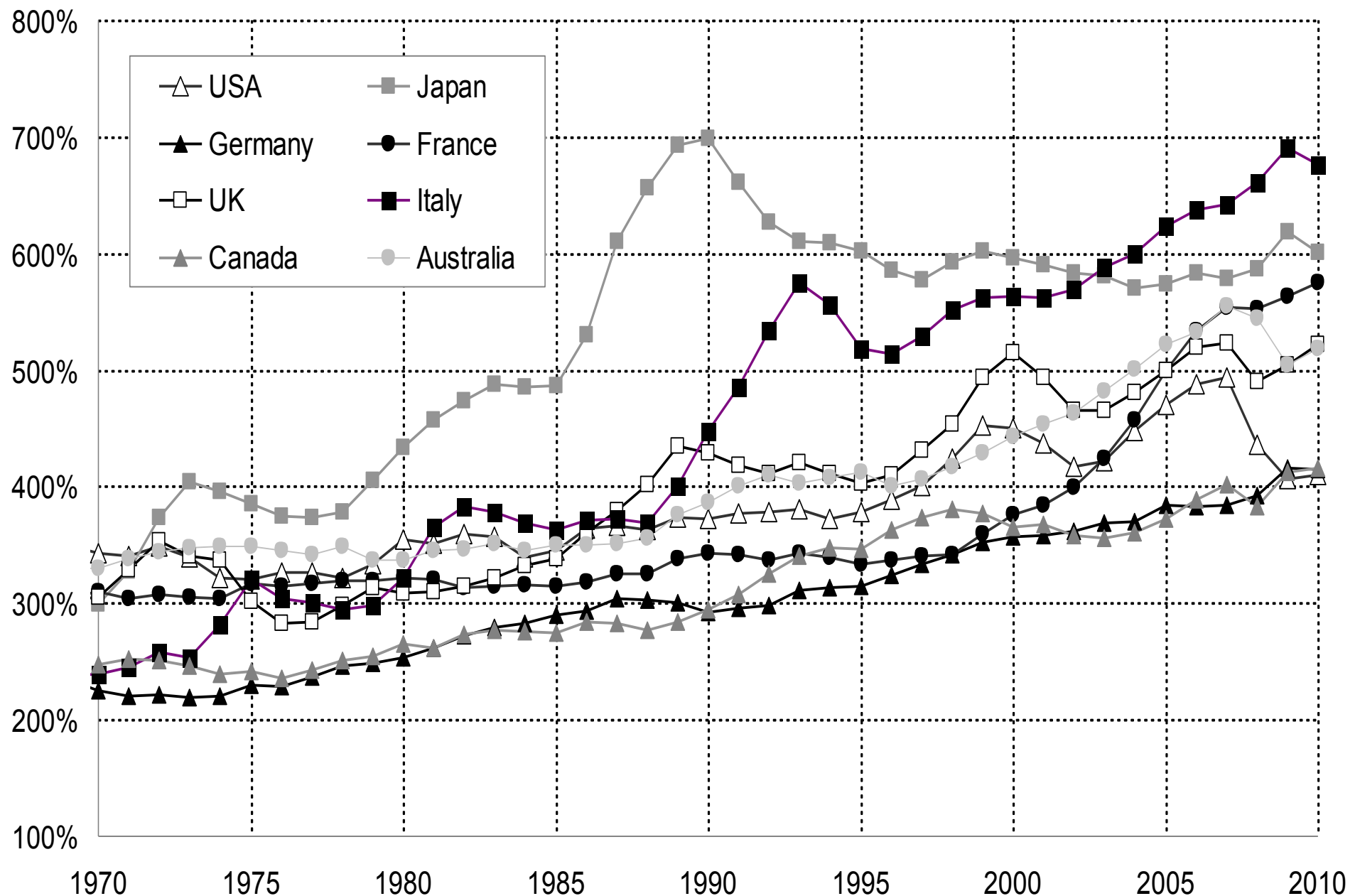
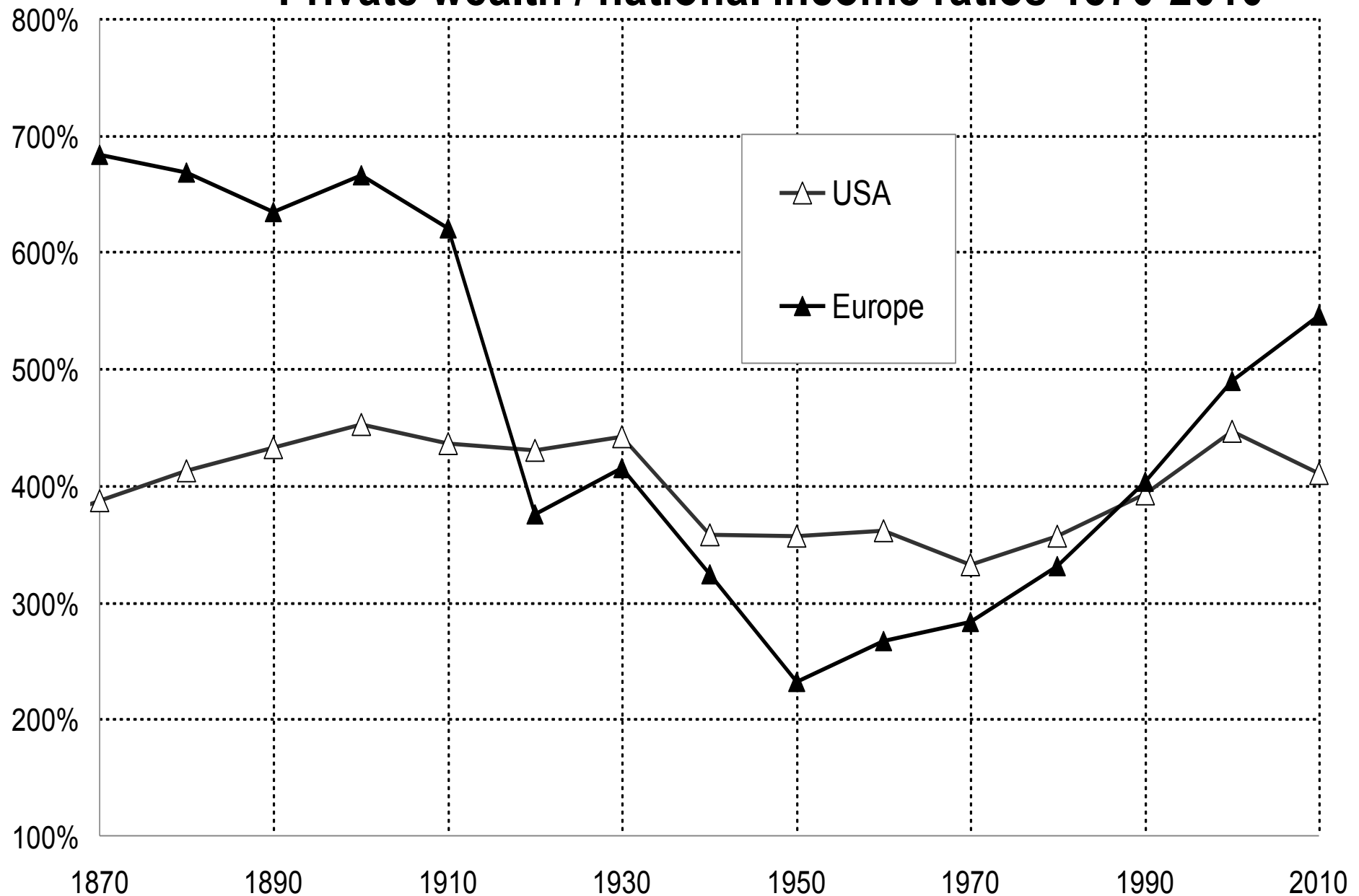


# Private wealth / national income ratios, 1970-2010



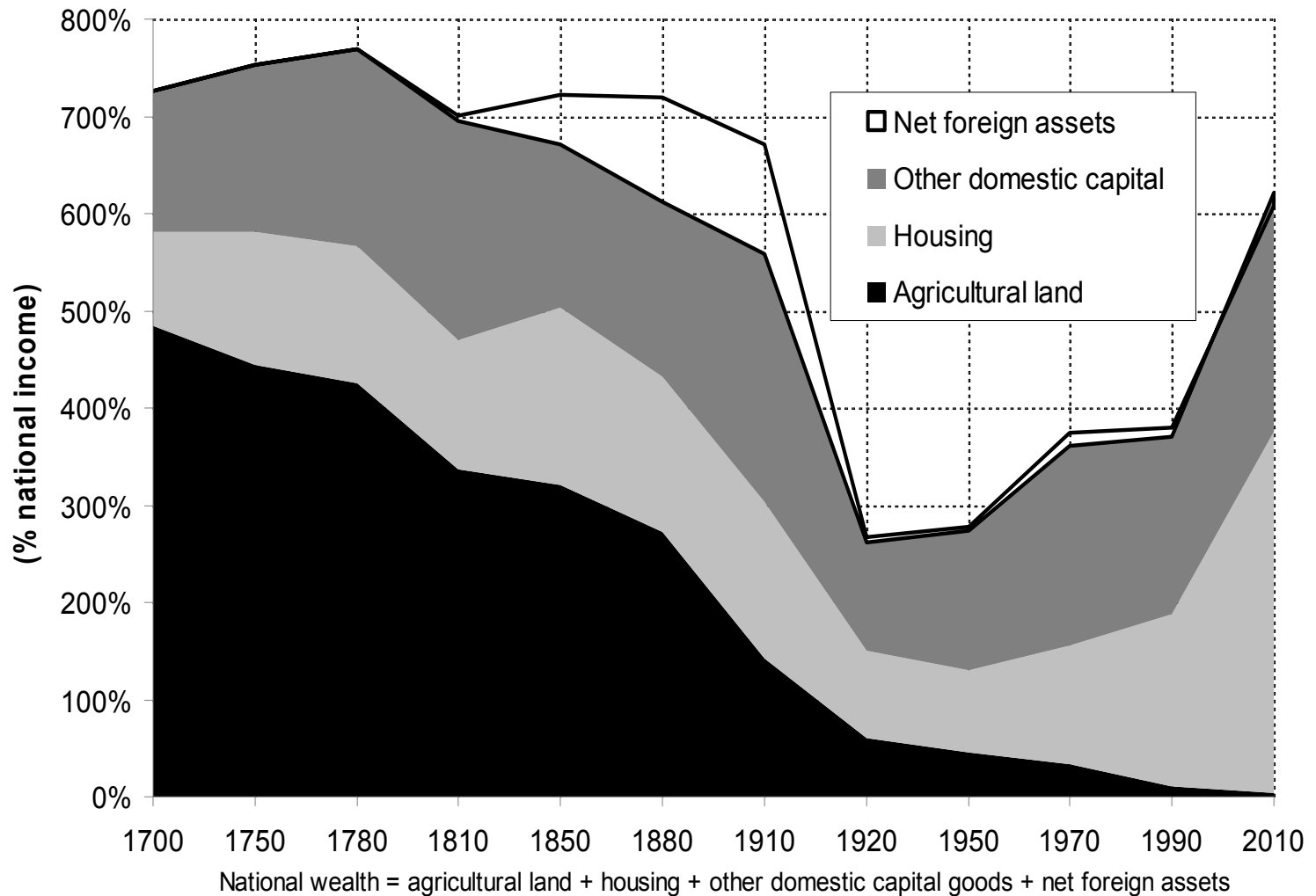
Authors' computations using country national accounts. Private wealth = non-financial assets + financial assets - financial liabilities (household & non-profit sectors)

# Private wealth / national income ratios 1870-2010



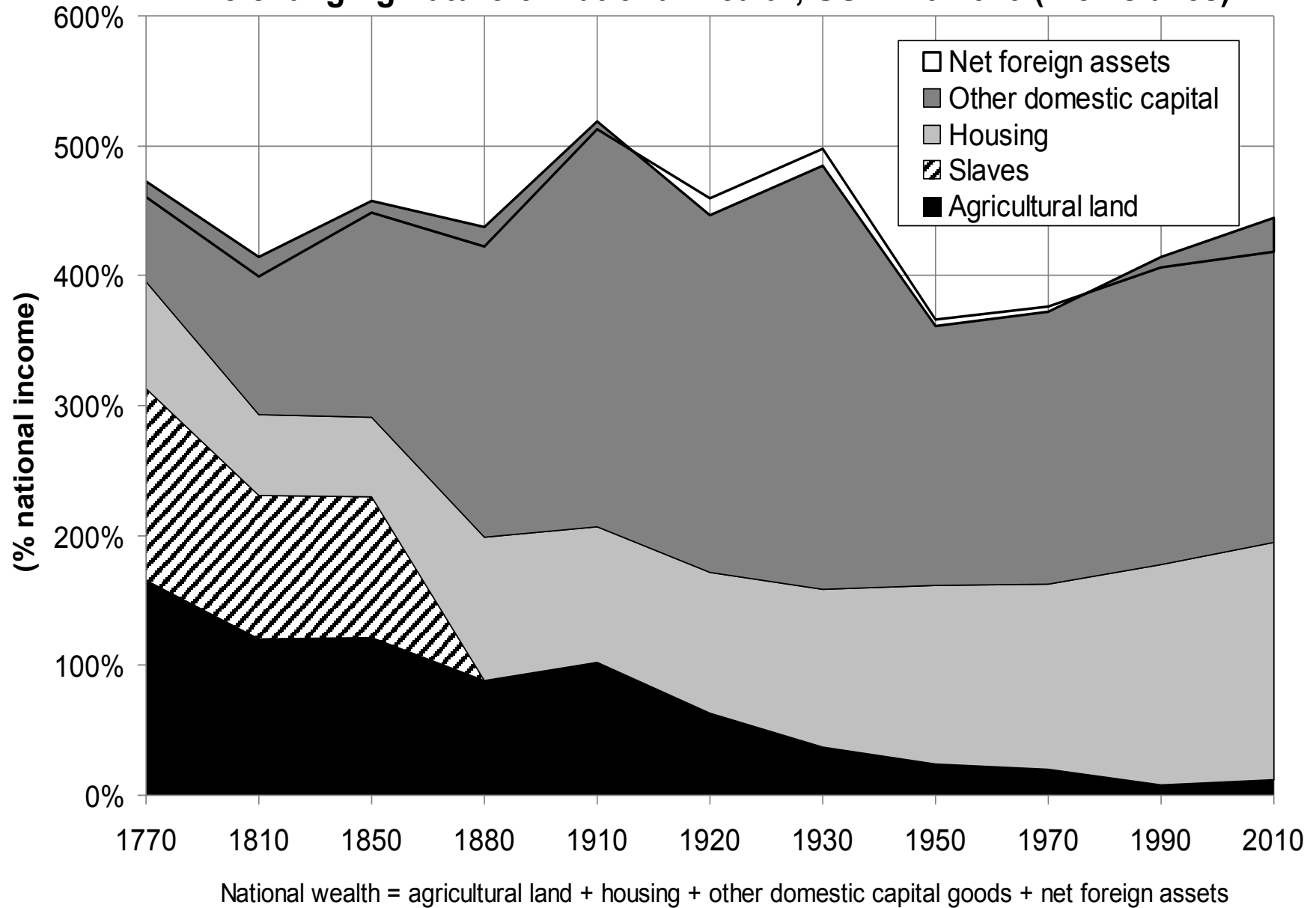
Authors' computations using country national accounts. Private wealth = non-financial assets + financial assets - financial liabilities (household & non-profit sectors)

## The changing nature of national wealth, France 1700-2010



Source: Piketty, Thomas [book]Capital in the 21st Century

## The changing nature of national wealth, US 1770-2010 (incl. slaves)



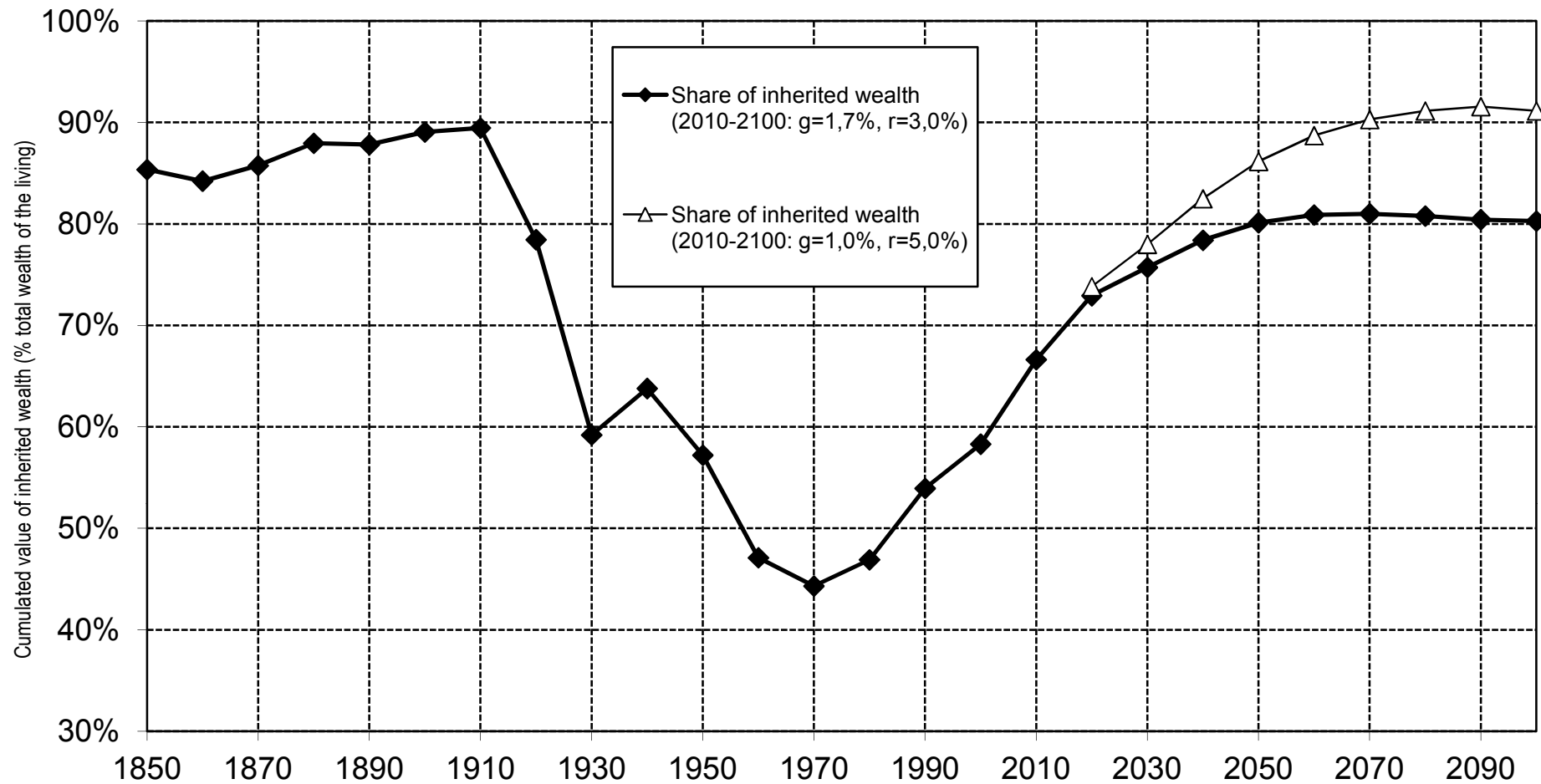
Source: Norton and Ariely 2011

*Building a Better America*



**Fig. 2.** The actual United States wealth distribution plotted against the estimated and ideal distributions across all respondents. Because of their small percentage share of total wealth, both the “4th 20%” value (0.2%) and the “Bottom 20%” value (0.1%) are not visible in the “Actual” distribution.

**Figure 11.7. The share of inherited wealth in total wealth, France 1850-2100**



Inherited wealth represents 80-90% of total wealth in France in the 19th century; this share fell to 40%-50% during the 20th century, and might return to 80%-90% during the 21st century. Sources and series: see [piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c)

# Treatment example: Information about the Estate Tax

Besides the income tax, the government can also level the playing field with **the federal estate tax**.

The **Federal Estate Tax** (also known as the **Death Tax**) applies when a deceased person leaves **more than \$5 million** in wealth to his or her heirs. Wealth left to a spouse or charitable organizations is exempt from estate tax.



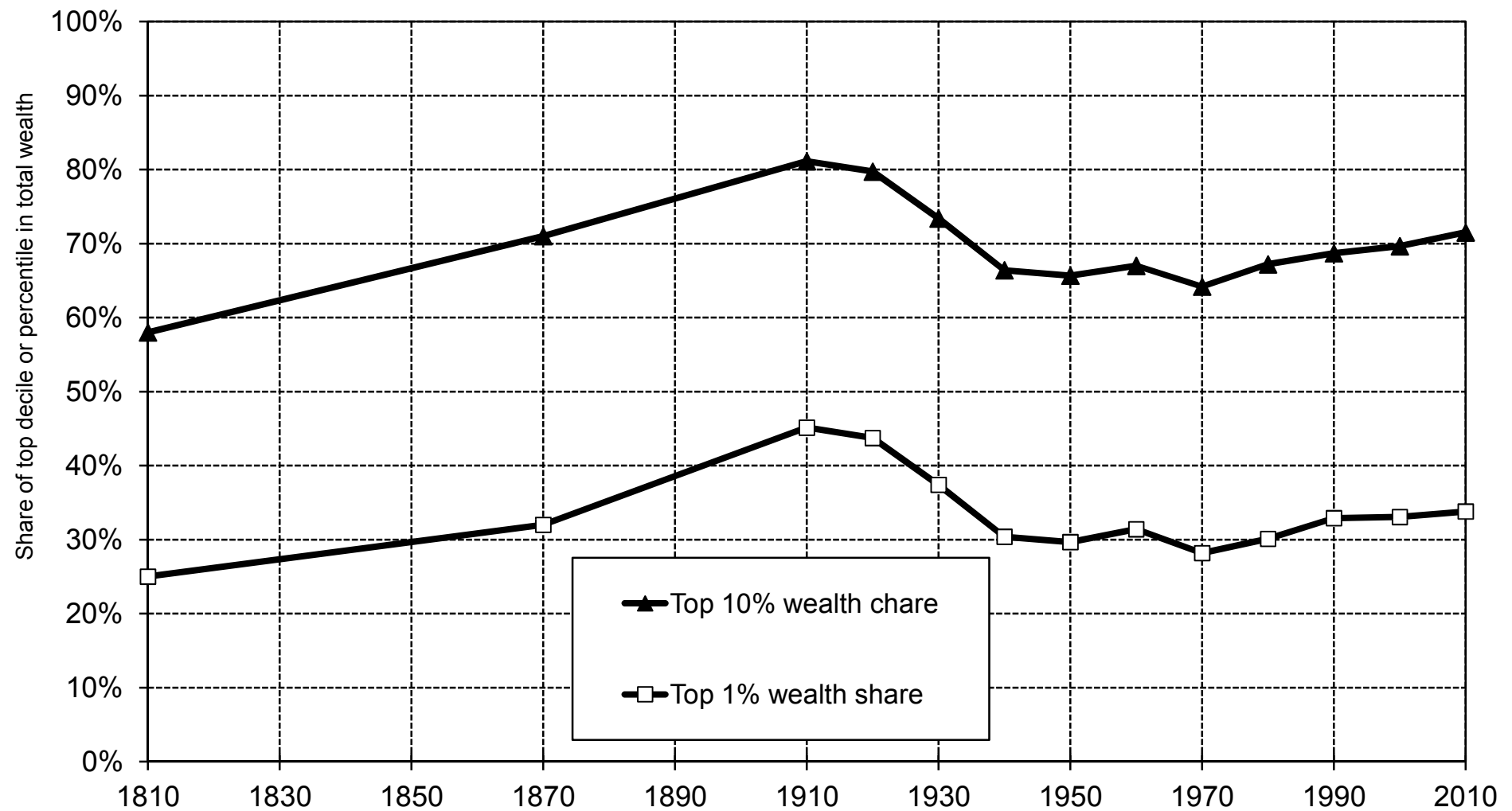
**Only 1 person out of 1000 is wealthy enough to face the estate tax.**

Average Americans do not have anything close to \$5 million in wealth, so the estate tax does not affect them and they can pass on their property to their children tax-free.

**Eliminating** the estate tax would allow the very richest families to pass down all of their wealth to their children tax-free. Hence, children of rich people would also start off very rich themselves.

**Increasing** the estate tax is a way to level the playing field between the children of wealthy parents and children of middle-class parents.

**Figure 10.5. Wealth inequality in the U.S., 1810-2010**

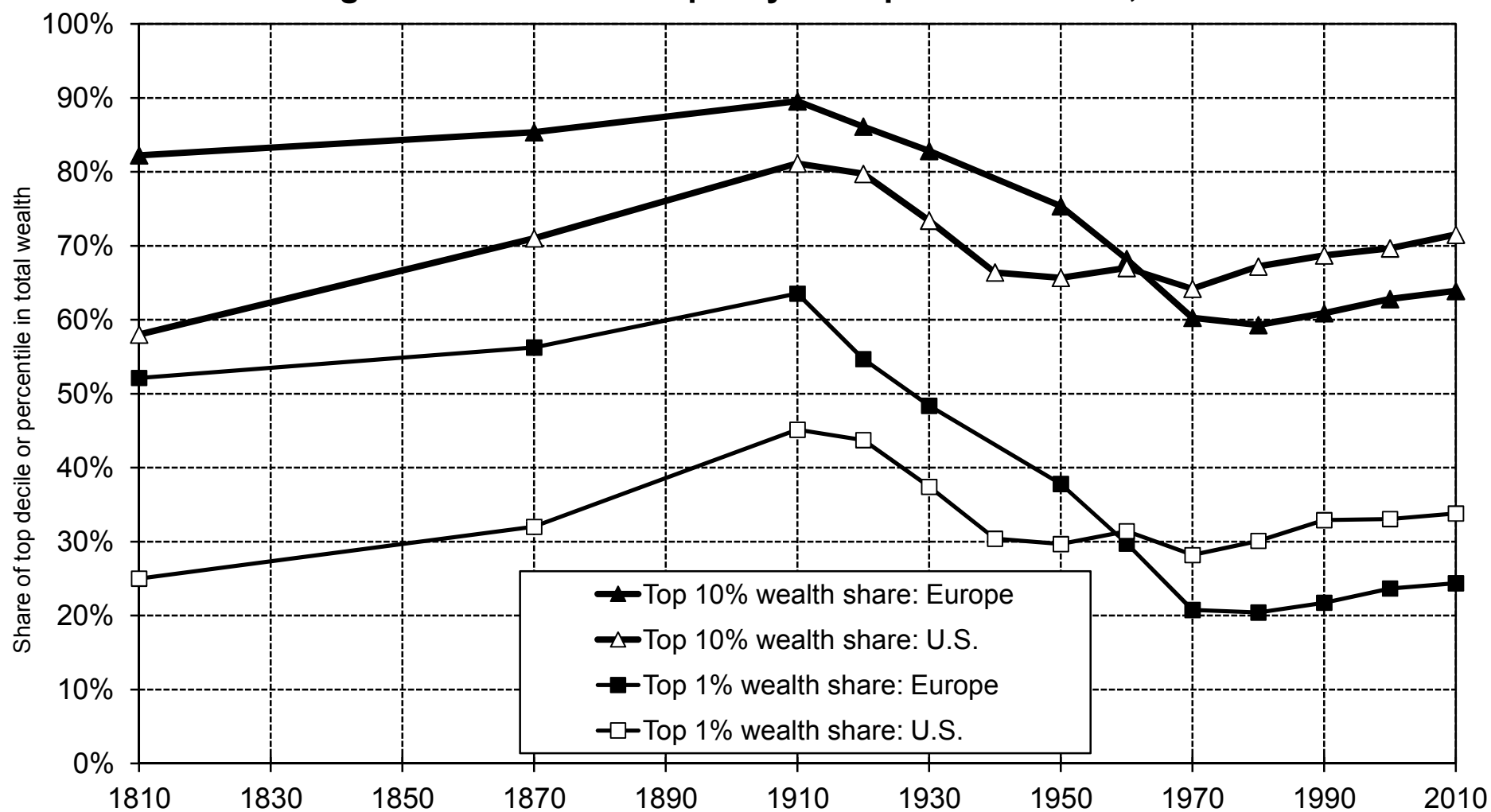


The top 10% wealth holders own about 80% of total wealth in 1910, and 75% today.

Sources and series: see [piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c).



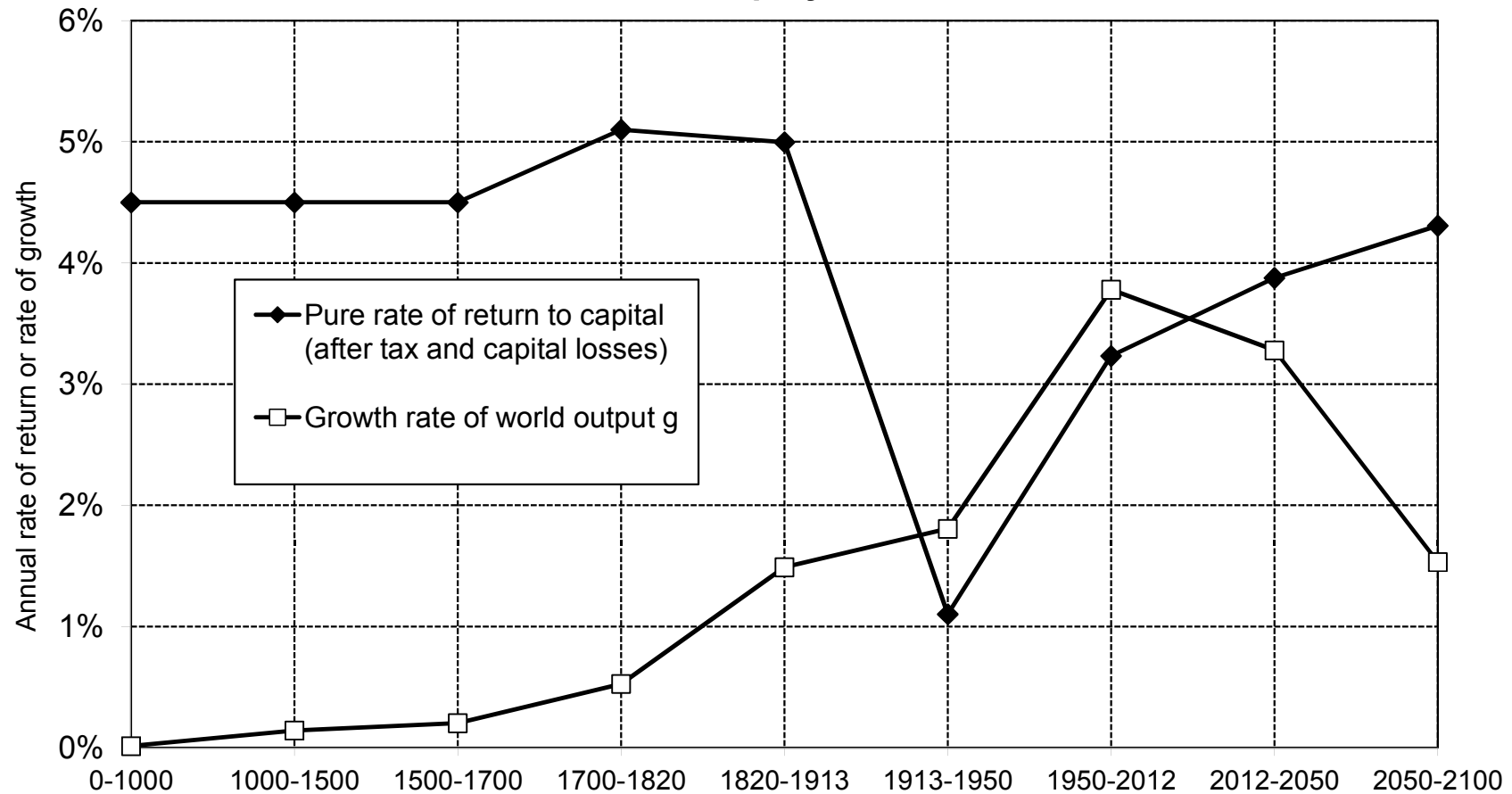
**Figure 10.6. Wealth inequality: Europe and the U.S., 1810-2010**



Until the mid 20th century, wealth inequality was higher in Europe than in the United States.

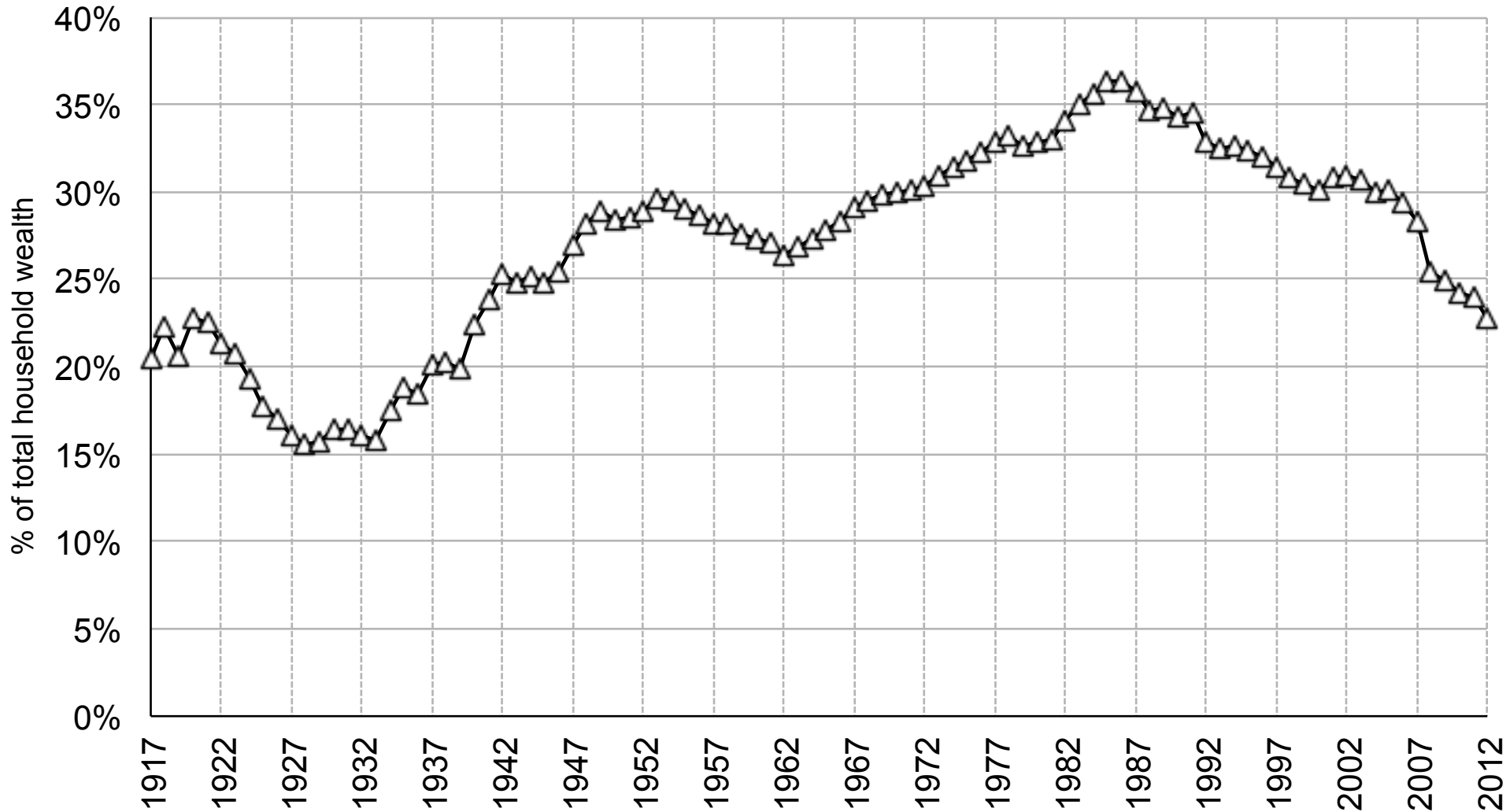
Sources and series: see [piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c).

**Figure 10.10. After tax rate of return vs. growth rate at the world level, from Antiquity until 2100**

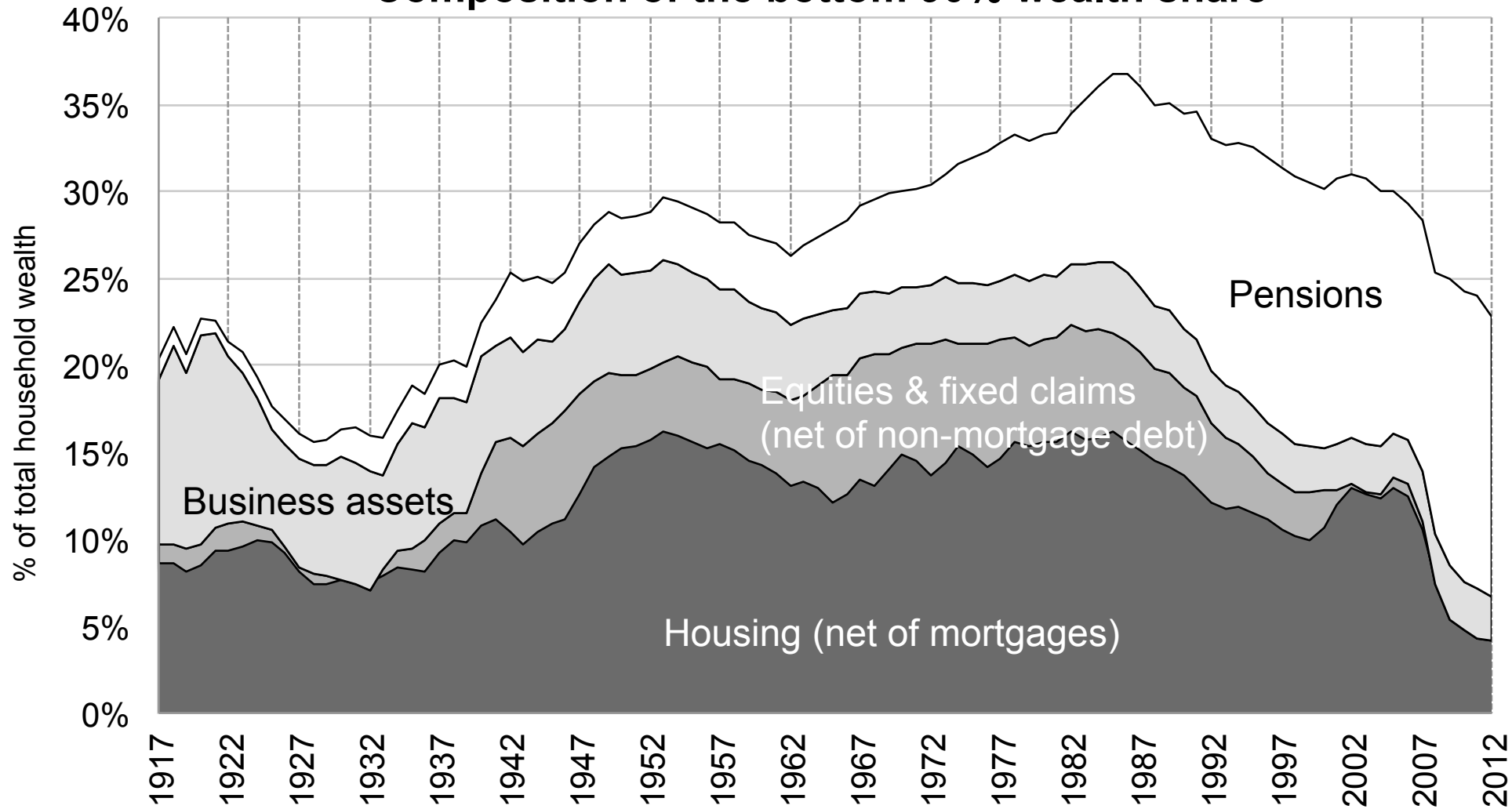


The rate of return to capital (after tax and capital losses) fell below the growth rate during the 20th century, and may again surpass it in the 21st century. Sources and series : see [piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c)

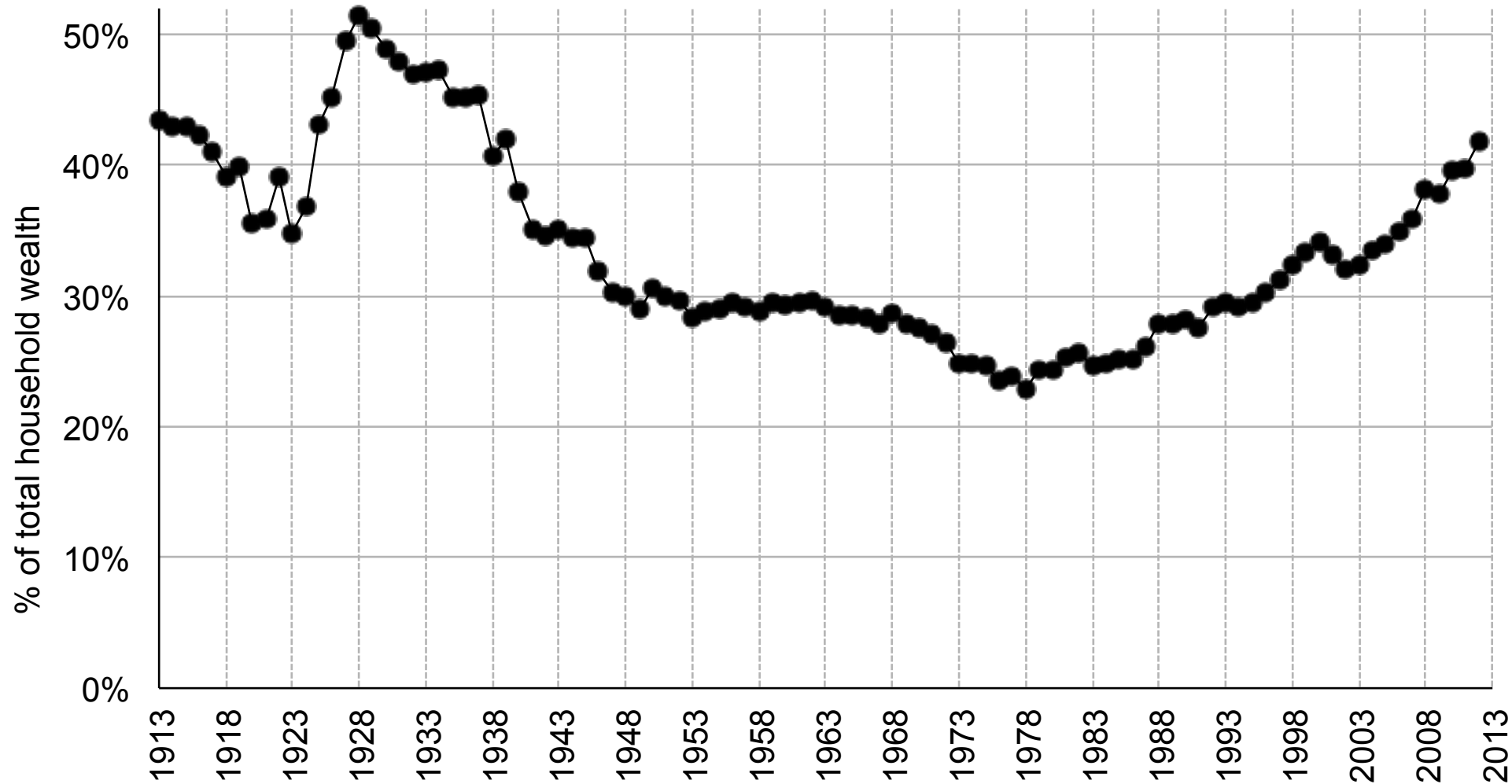
# Bottom 90% wealth share in the United States, 1917-2012



# Composition of the bottom 90% wealth share

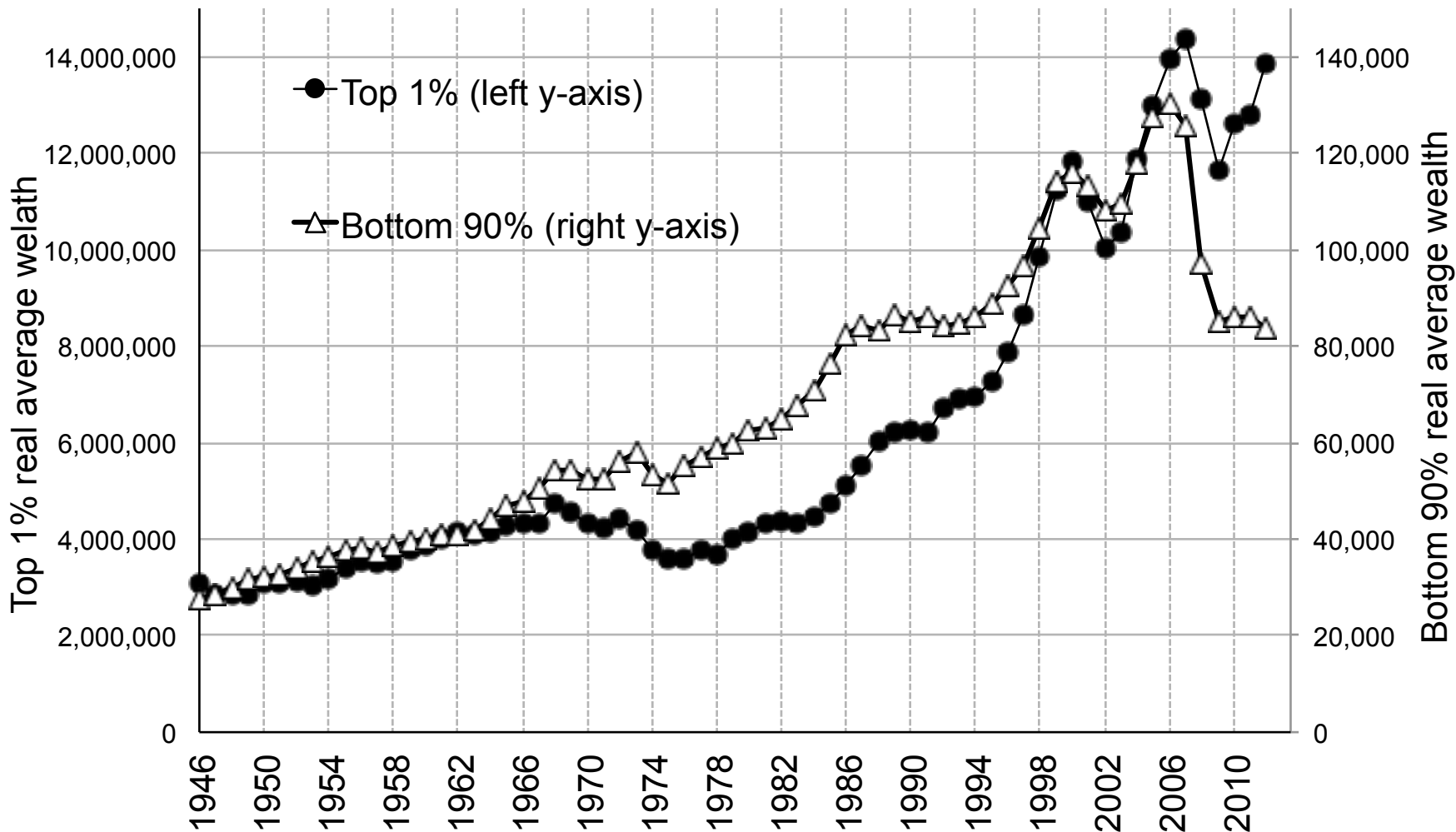


# Top 1% wealth share in the United States, 1913-2012



This figure depicts the share of total household wealth held by the 1% richest families, as estimated by capitalizing income tax returns. Source: Saez and Zucman (2014).

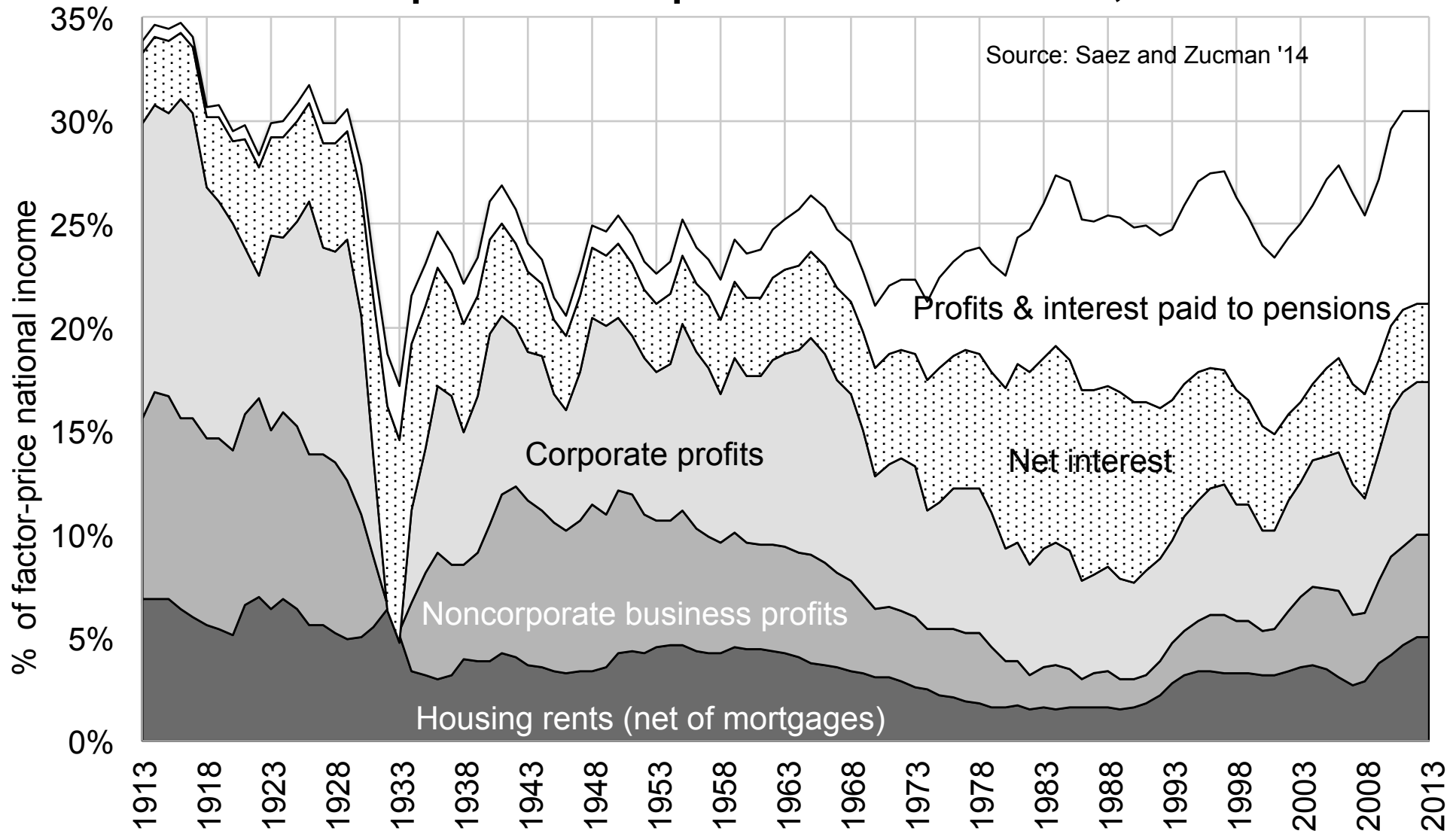
# Real average wealth of bottom 90% and top 1% families



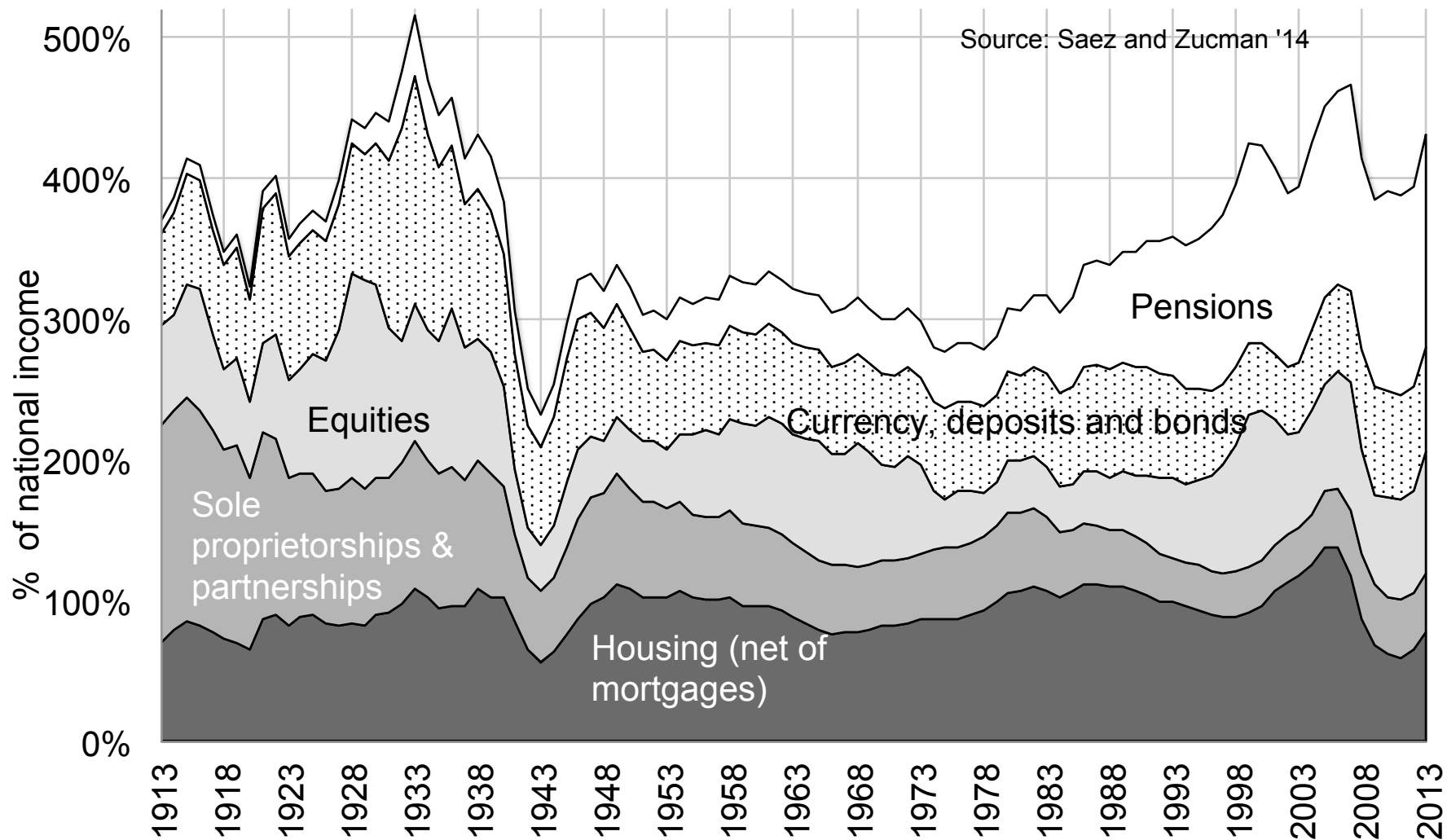
Real values are obtained by using the GDP deflator, 2010 dollars. Source: Appendix Tables B3.

# The composition of capital income in the U.S., 1913-2013

Source: Saez and Zucman '14



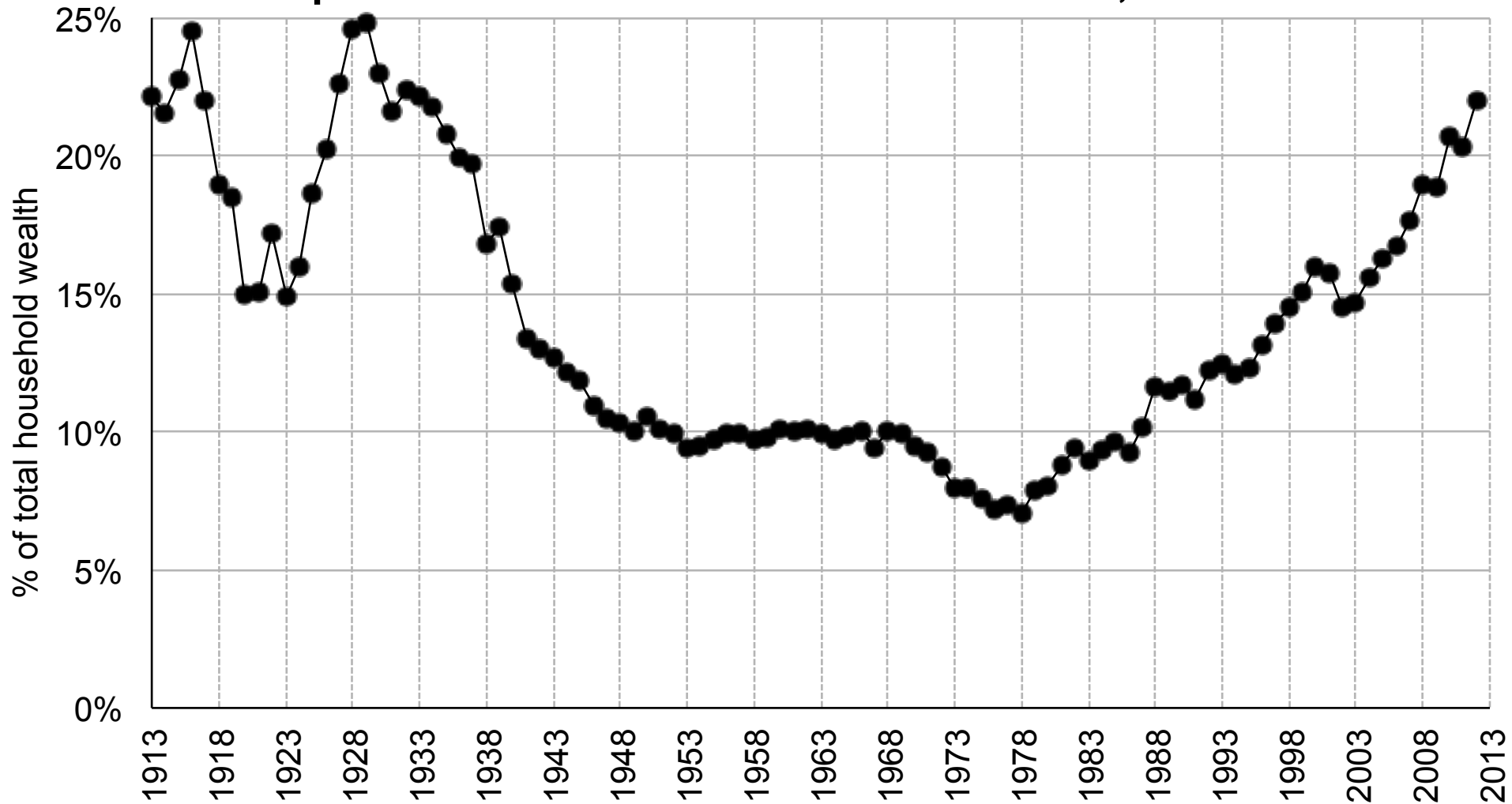
# The composition of household wealth in the U.S., 1913-2013



This figure depicts the evolution of the ratio of total household wealth to national income. This ratio has followed a U-shaped evolution and the composition of wealth has changed markedly since 1913. Source: Appendix Table A1.

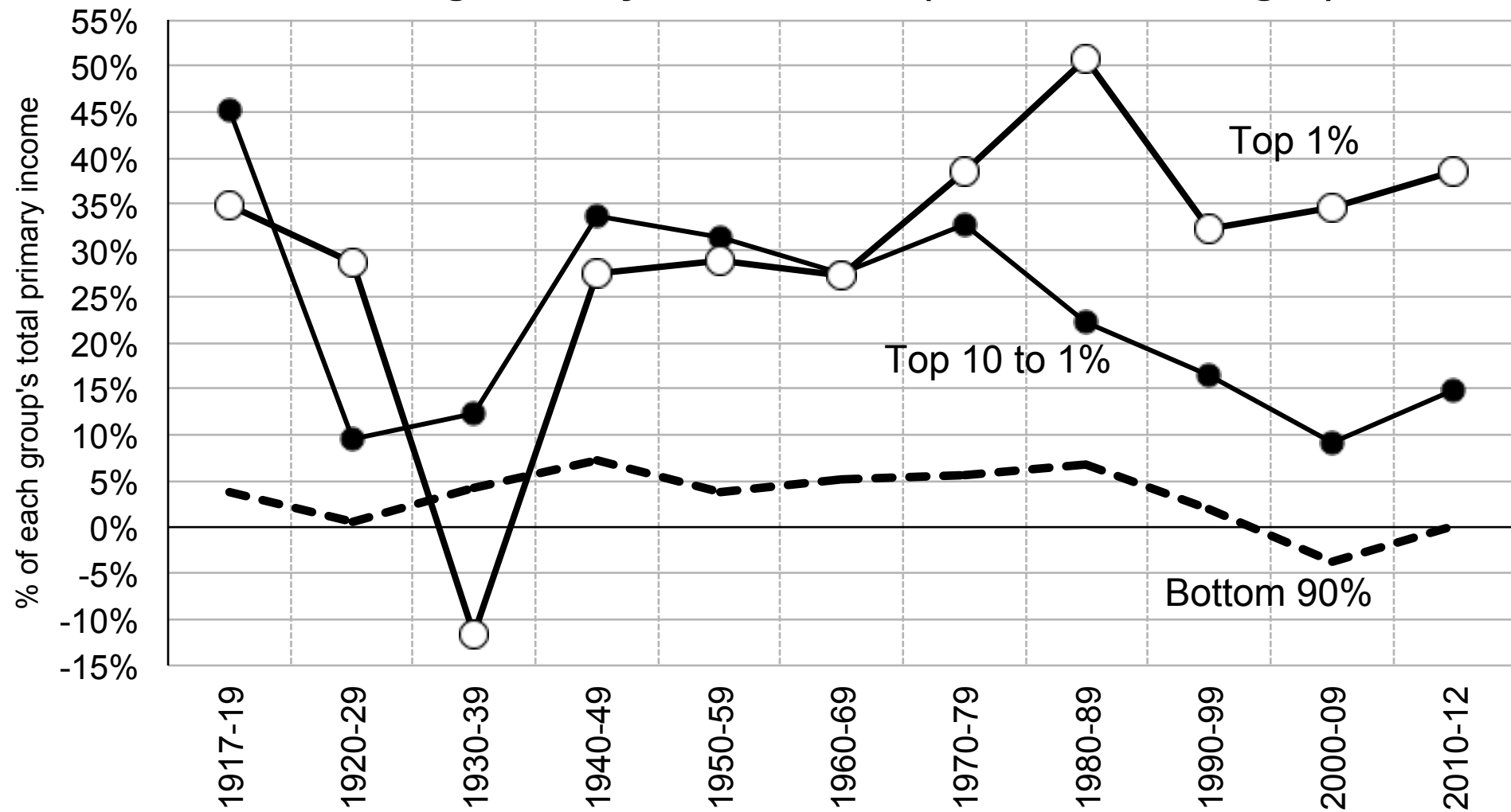


# Top 0.1% wealth share in the United States, 1913-2012

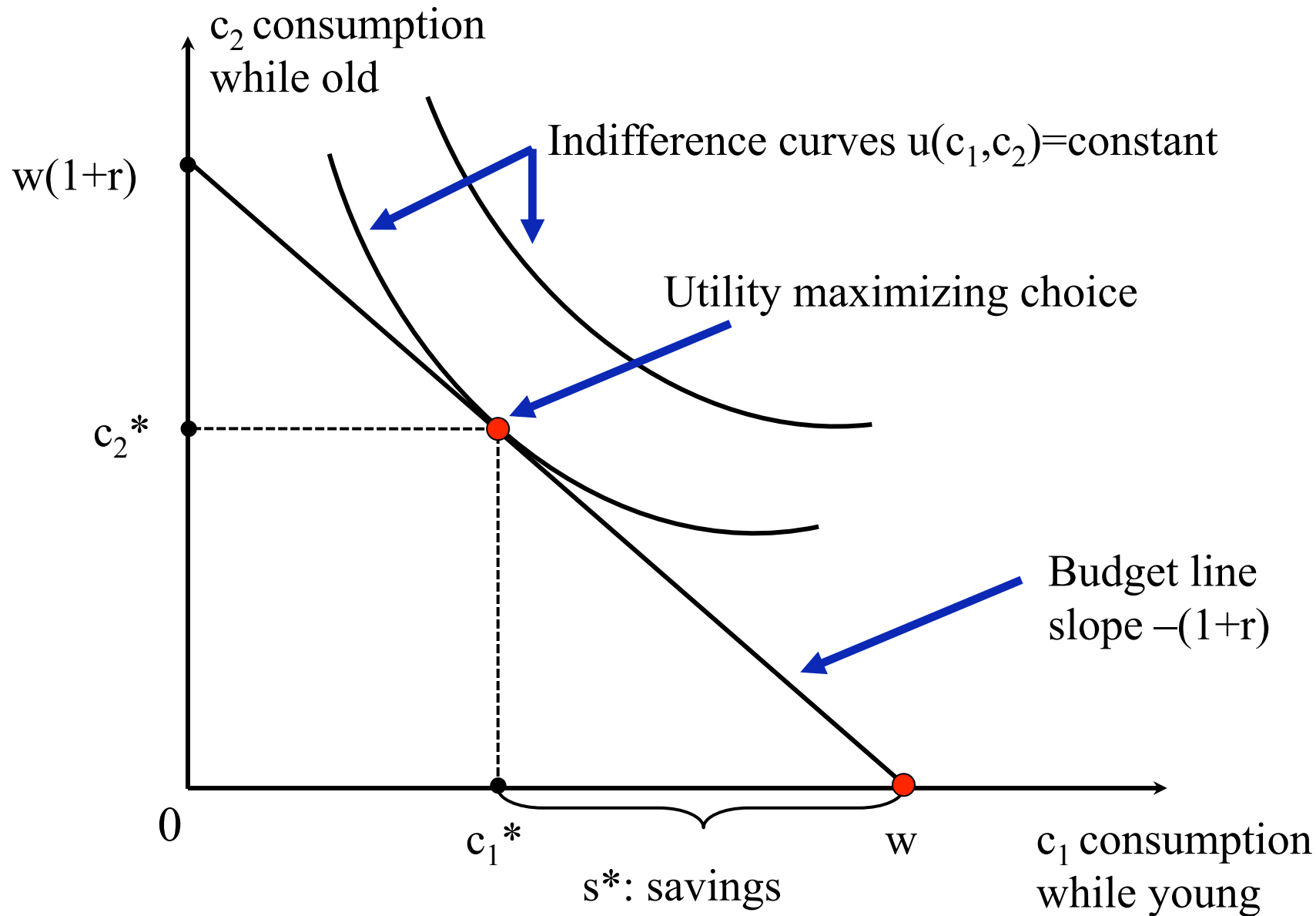


This figure depicts the share of total household wealth held by the 0.1% richest families, as estimated by capitalizing income tax returns. In 2012, the top 0.1% includes about 160,000 families with net wealth above \$20.6 million. Source: Appendix Table B1.

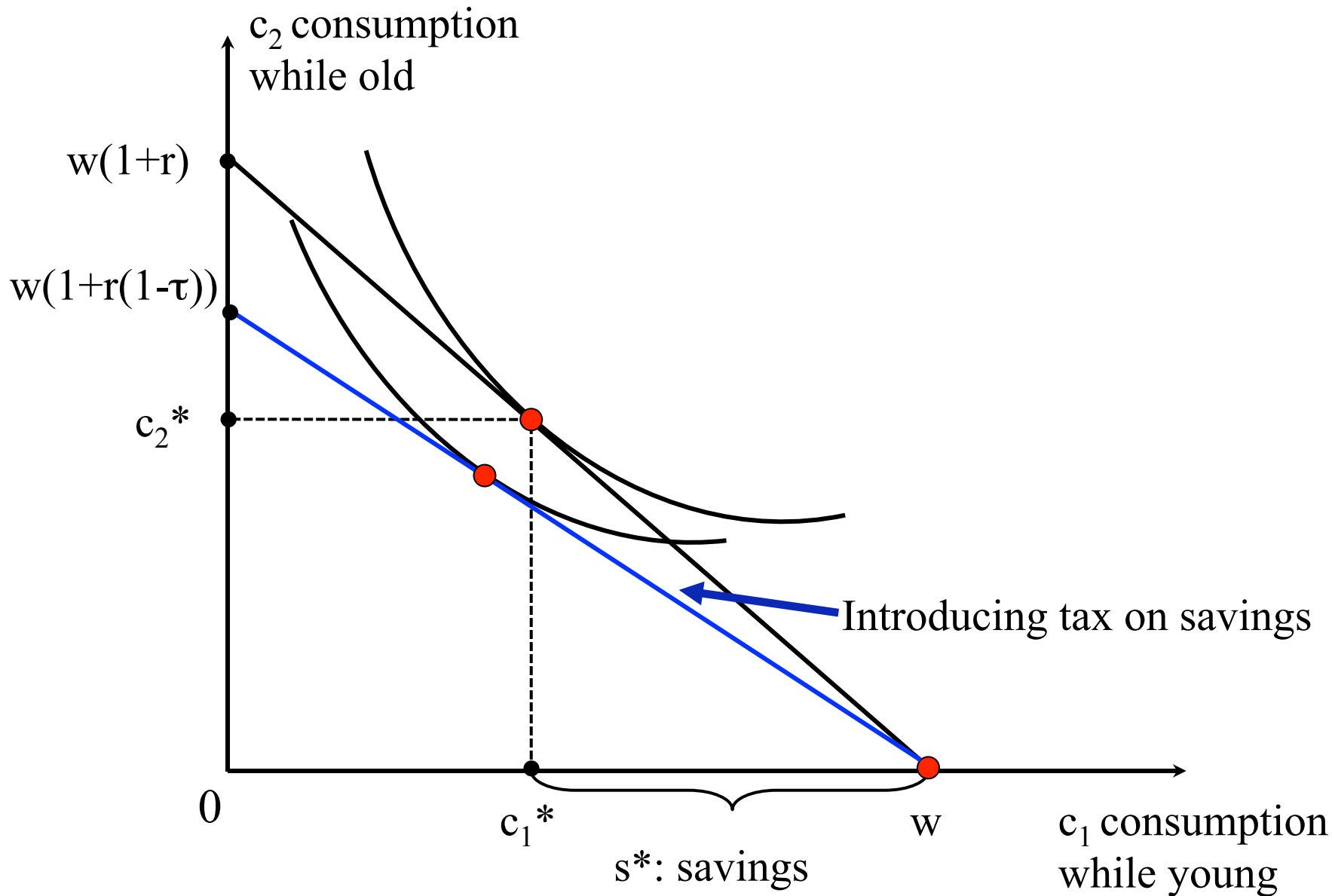
# Saving rates by wealth class (decennial averages)



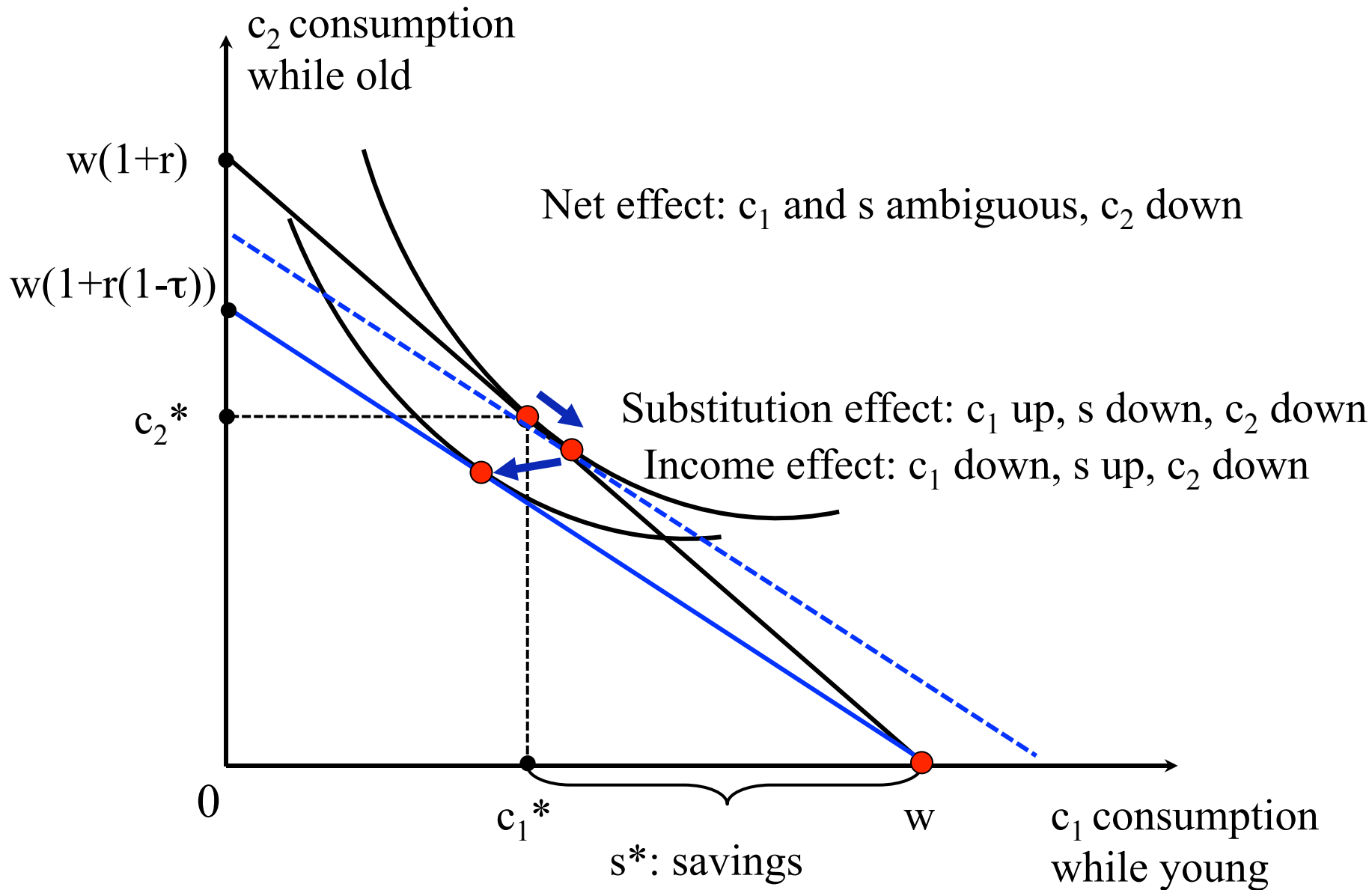
# Life cycle savings and taxes theory



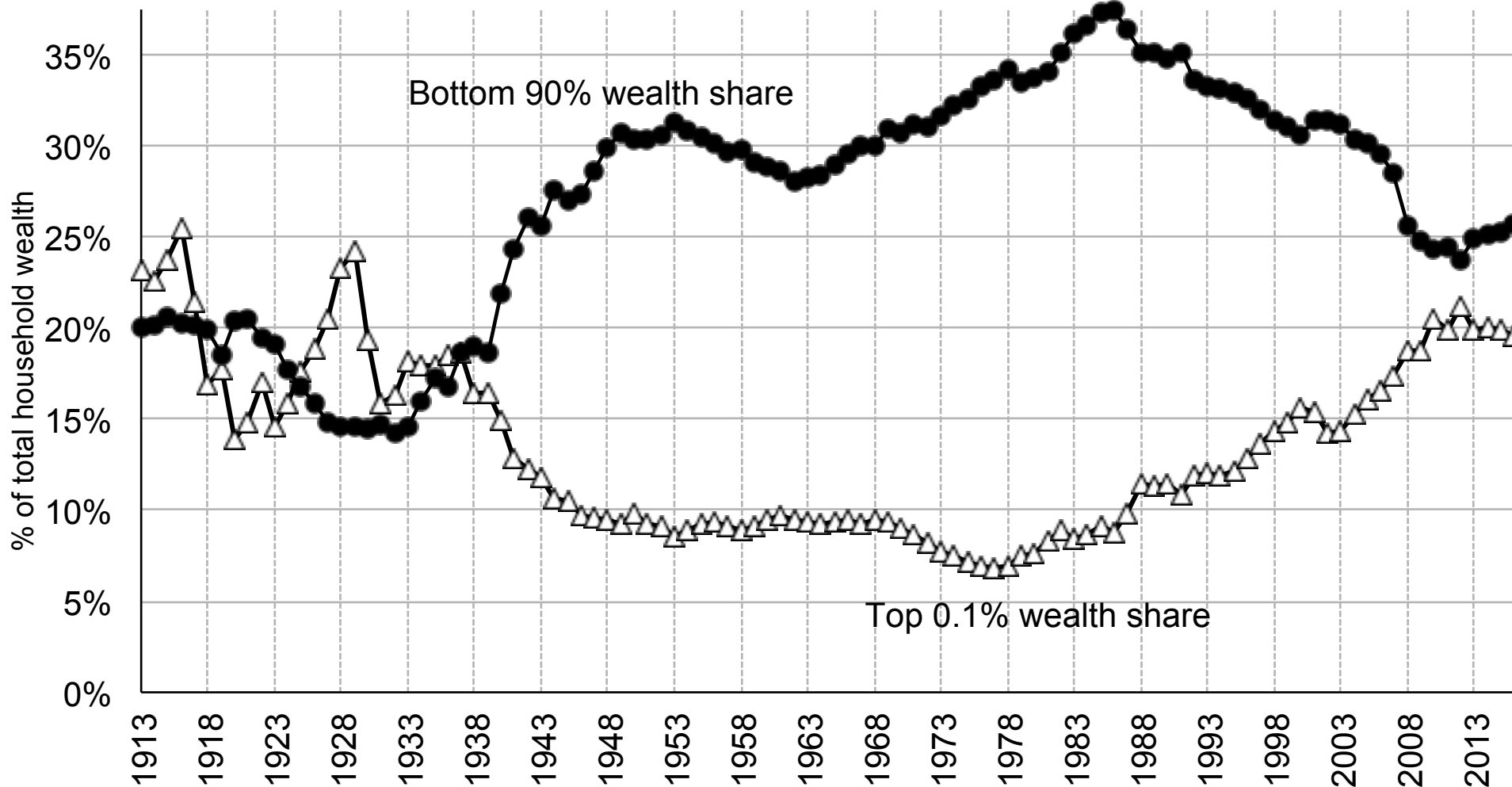
# Life cycle savings and taxes theory



# Life cycle savings and taxes theory



# Wealth shares of bottom 90% and top 0.1% families



The figure depicts the share of total household wealth owned by bottom 90% and top 0.1% obtained by capitalizing income tax returns (Saez and Zucman 2016). The unit of analysis is the family.

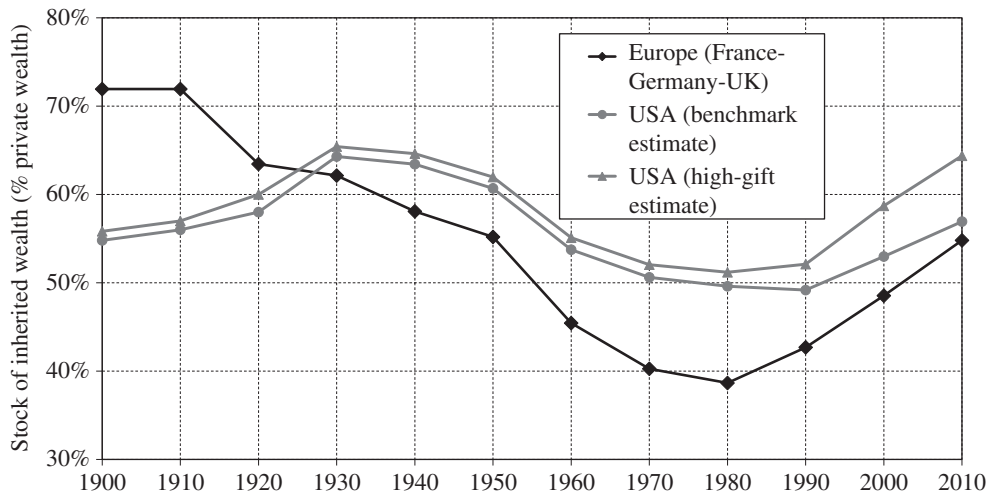
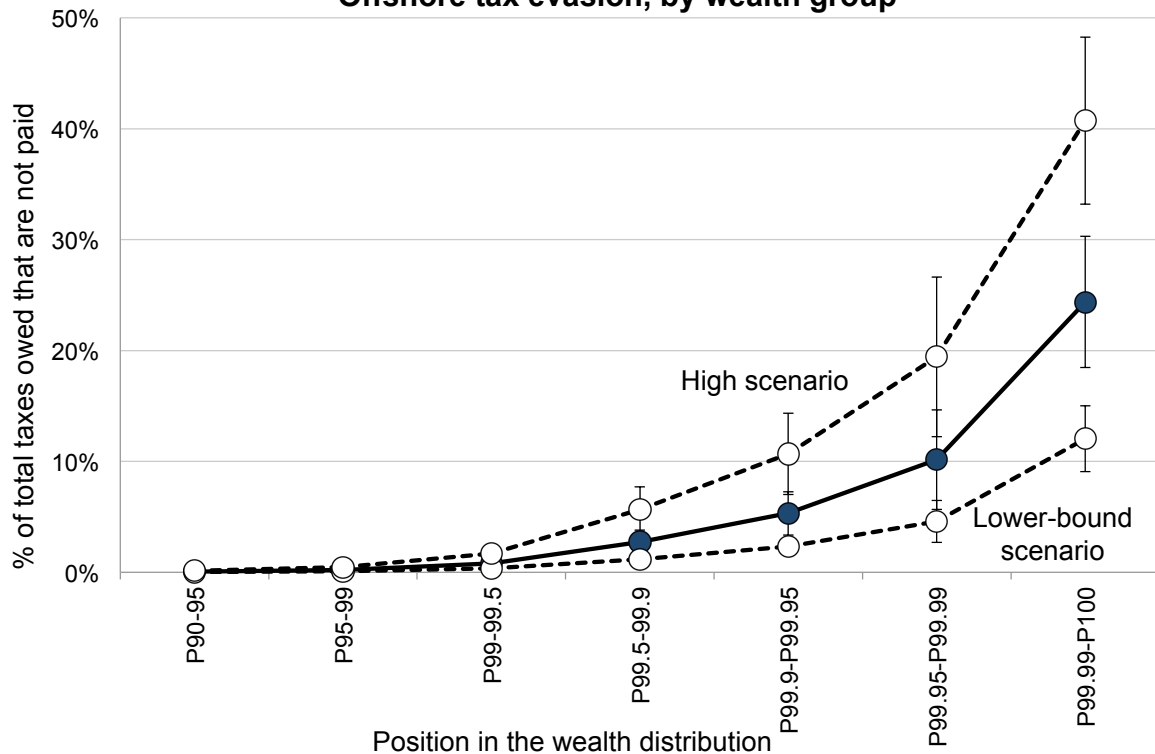


FIGURE 1. Share of inherited wealth, Europe and the USA 1900–2010.

*Notes:* Simplified definitions using inheritance vs. saving flows; approximate lower-bound estimates. The inheritance share in aggregate wealth accumulation was over 70% in Europe in 1900–10. It fell abruptly following 1914–45 shocks, down to 40% in the 1970–80 period. It was back to about 50–60% (and rising) in 2000–10. The US pattern also appears to be U-shaped but less marked, and with significant uncertainty regarding recent trends, due to data limitations.

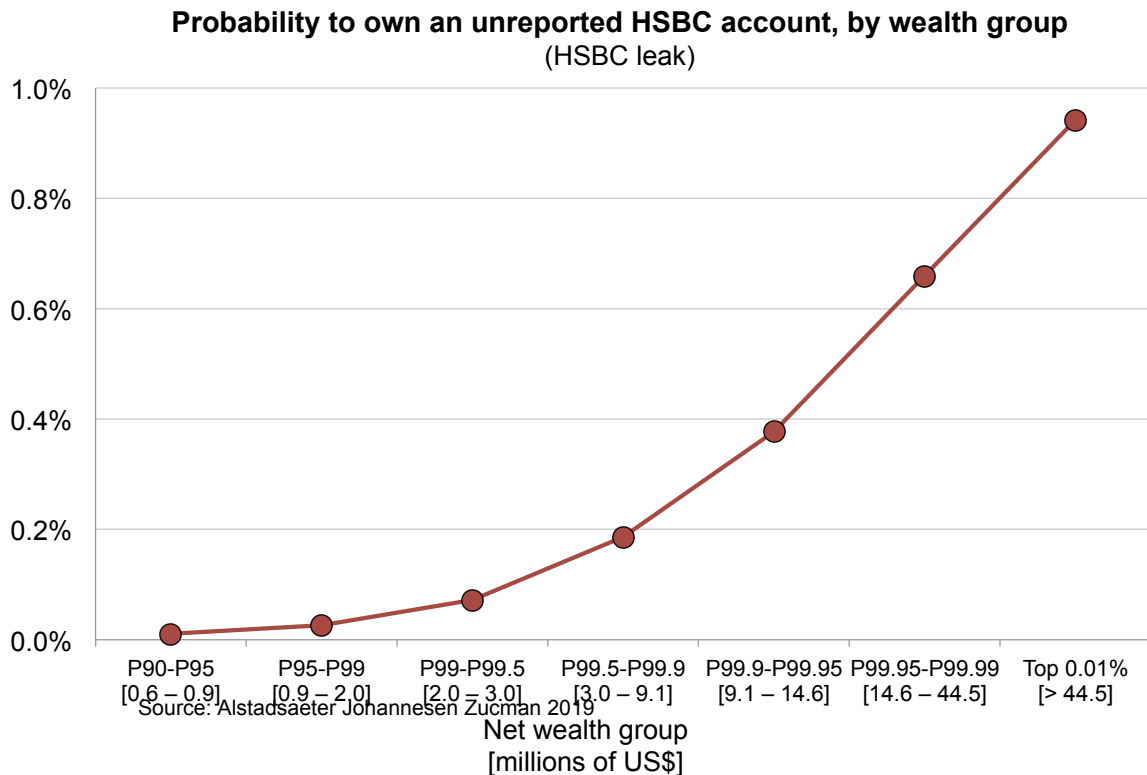
Source: Alveredo-Garbinti-Piketty '17

## Offshore tax evasion, by wealth group

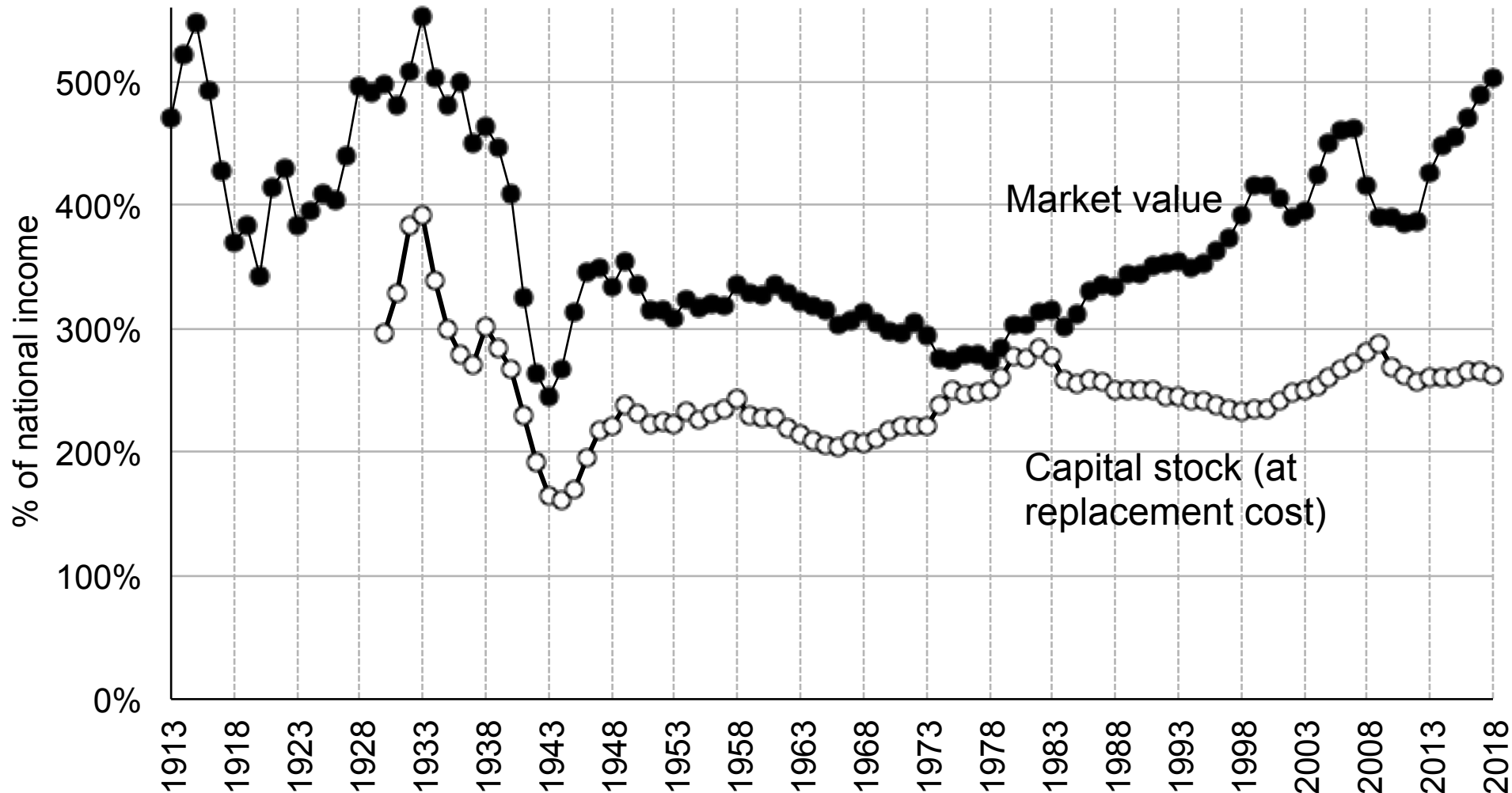




**Figure 2: Tax evasion at HSBC: intensive vs. extensive margin**

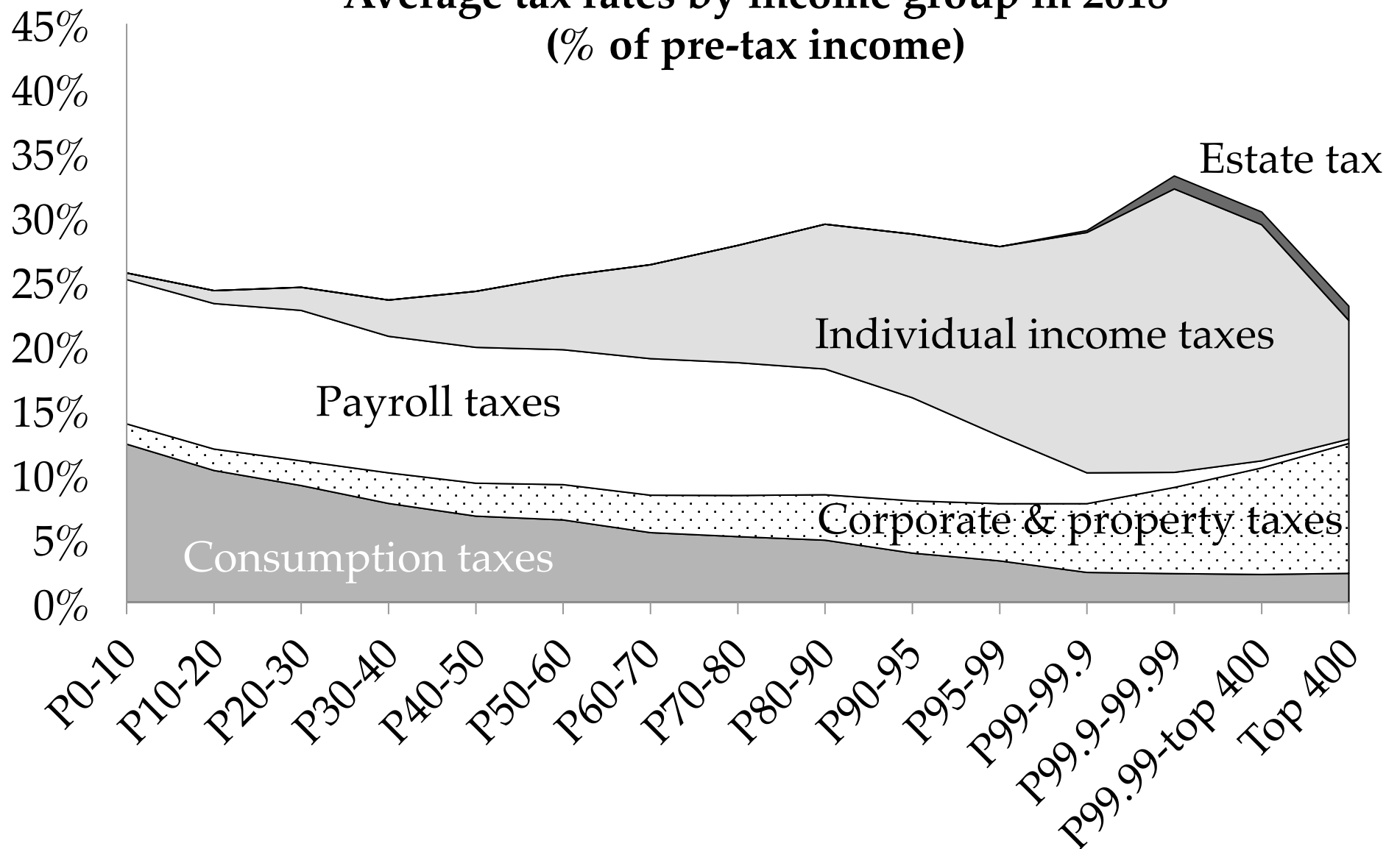


# Total household wealth (to national income)

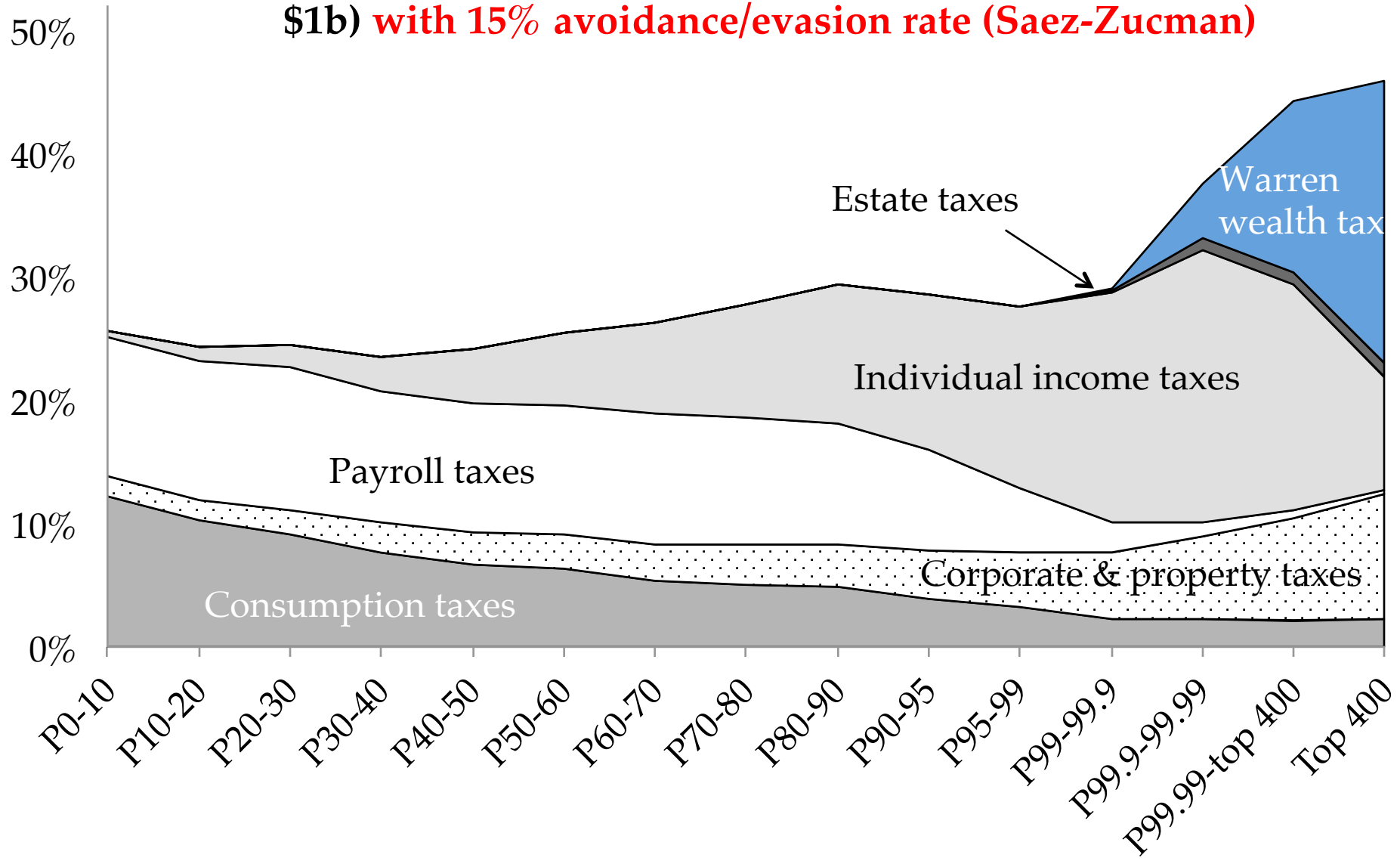


This figure depicts the share of total household wealth relative to national income Source: Piketty, Saez, and Zucman (2018).

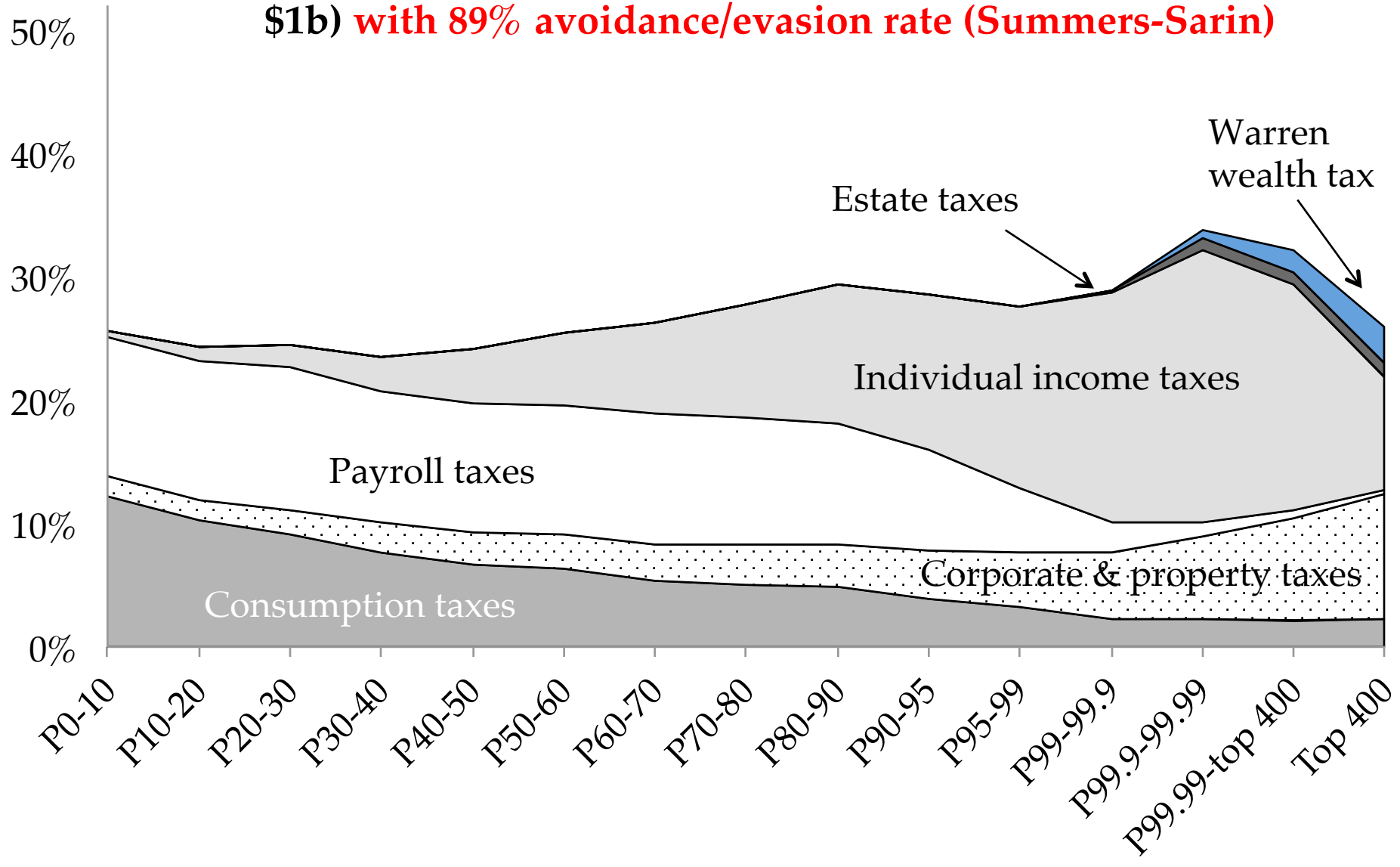
# Average tax rates by income group in 2018 (% of pre-tax income)



**Adding old Warren wealth tax (2% above \$50m, 3% above \$1b) with 15% avoidance/evasion rate (Saez-Zucman)**



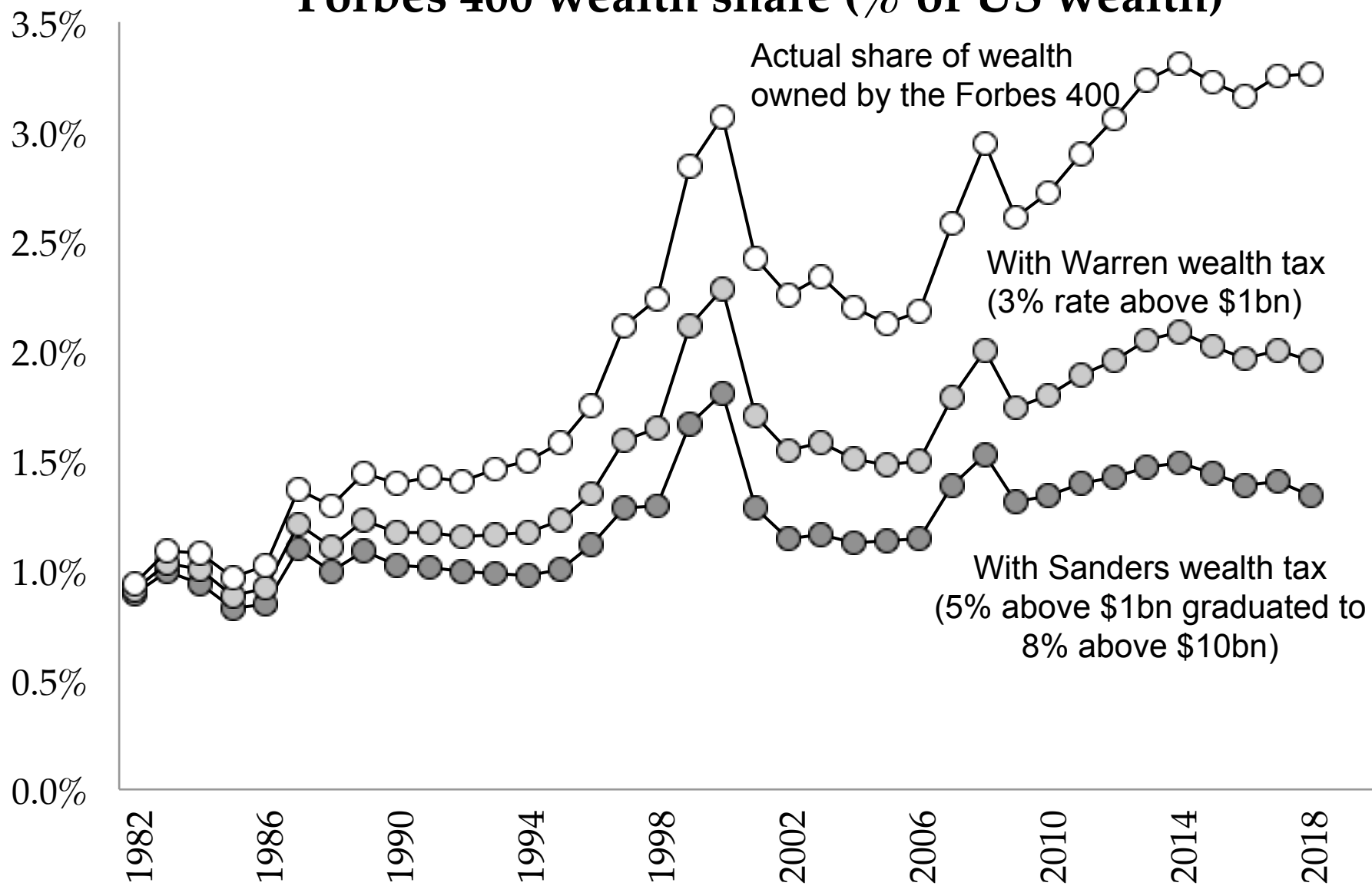
**Adding old Warren wealth tax (2% above \$50m, 3% above \$1b) with 89% avoidance/evasion rate (Summers-Sarin)**



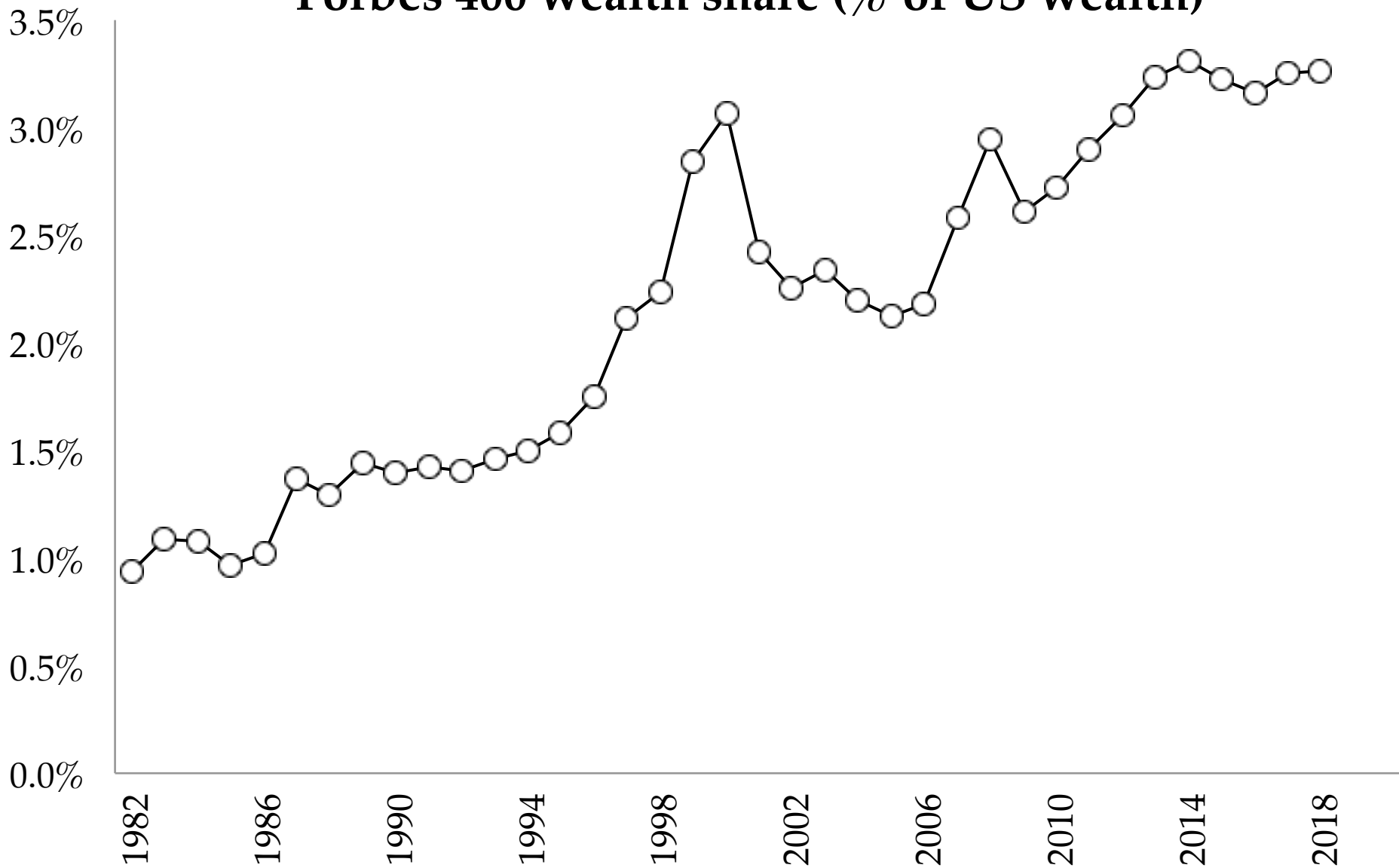
## Long-Term Wealth Taxation and Top Wealth Holders

		Current 2018 wealth (\$ billions)	With Warren wealth tax (3% above \$1b) since 1982	With Sanders wealth tax (5% above \$1b up to 8% above \$10b)
<b>Top Wealth Holder Source</b>				
1. Jeff Bezos	Amazon (founder)	160.0	86.8	43.0
2. Bill Gates	Microsoft (founder)	97.0	36.4	9.9
3. Warren Buffett	Berkshire Hathaway	88.3	29.6	8.2
4. Mark Zuckerberg	Facebook (founder)	61.0	44.2	28.6
5. Larry Ellison	Oracle (founder)	58.4	23.5	8.5
6. Larry Page	Google (founder)	53.8	35.3	19.5
7. David Koch	Koch industries	53.5	18.9	8.0
8. Charles Koch	Koch industries	53.5	18.9	8.0
9. Sergey Brin	Google (founder)	52.4	34.4	19.0
10. M. Bloomberg	Bloomberg LP (f.)	51.8	24.2	11.3
11. Jim Walton	Walmart (heir)	45.2	15.1	5.0
...				
Total top 15		942.5	433.9	195.7

# Forbes 400 wealth share (% of US wealth)

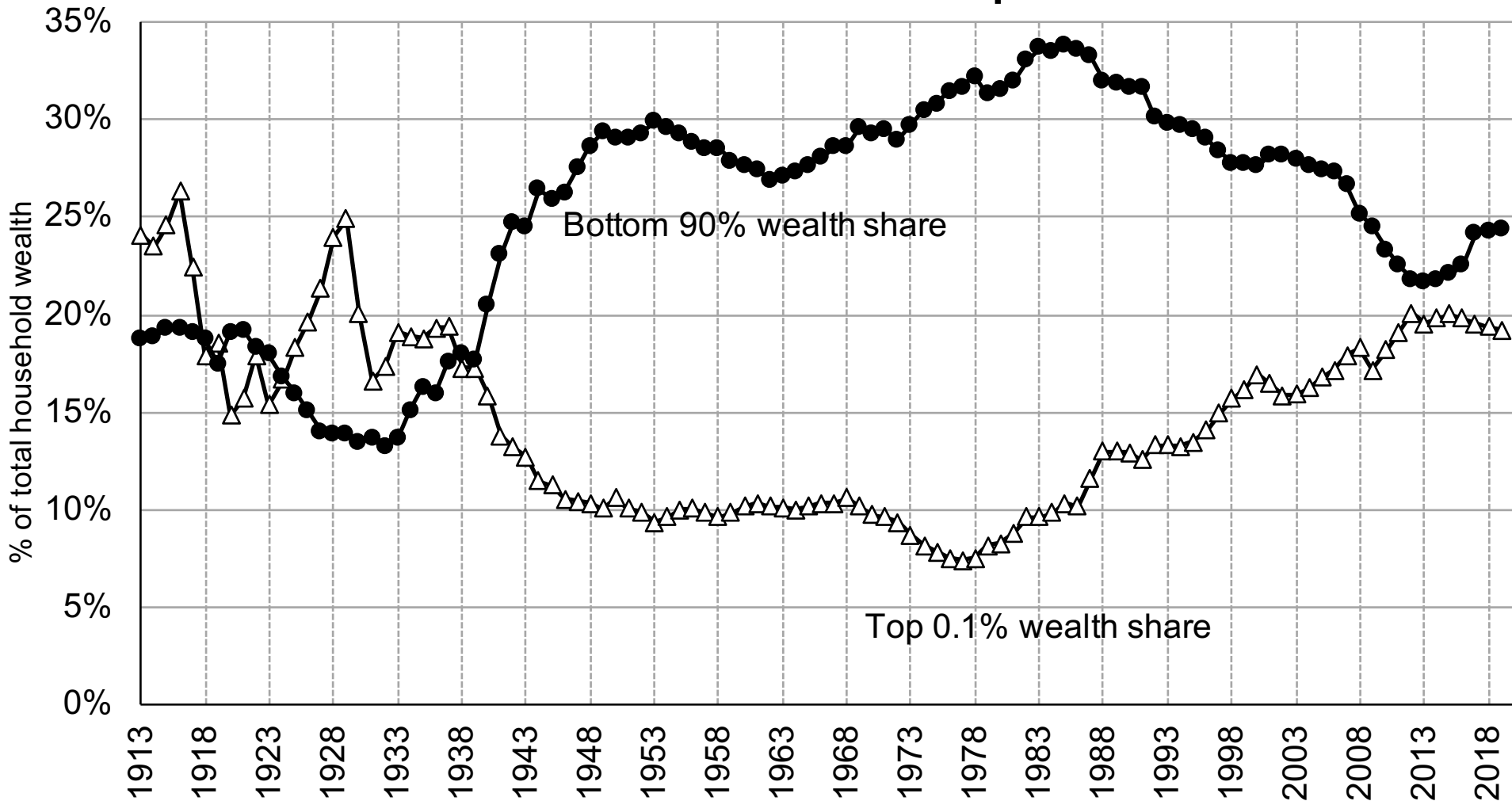


**Forbes 400 wealth share (% of US wealth)**





# Wealth shares of bottom 90% and top 0.1% families



The figure depicts the share of total household wealth owned by bottom 90% and top 0.1% obtained by capitalizing income tax returns (Piketty, Saez and Zucman 2018, updated to 2019). The unit of analysis is the family.

**Total wealth of the top 400** (top 0.00025% wealthiest Americans) (as a fraction of total annual US national income)

