Issue No. 26 (June 2023)

Inequality Matters

Quarterly updates on inequality research, LIS micro data releases, and other developments at LIS

MESSAGE FROM THE EDITOR

Dear readers,

Exciting news about LIS and its growing databases! Not only has LIS celebrated its 40th anniversary last month (please find the proceedings of the 40th anniversary conference here), we also succeeded in closing one of the most requested LIS data gaps since numerous years. In addition, we are releasing a new documentation innovation at LIS.

Data news first! We are thrilled to announce that with this release the LIS Database contains now annual Swedish data for the period 2002-2020. Further annual datapoints back in time and various datapoints for the LWS Database are in preparation. We are grateful for the continued support by Statistics Sweden!

Our data team also added annual data for the United States (US63 to US78) and the most recent data for US21, and each one dataset for Austria (AT20), Canada (CA19), and Italy (IT20). The wealth module for the Italian SHIW data is in preparation and will be added in the September data release.

Compare.It is LIS' new comparability tool and the latest addition to its documentation system, where users will find (1) information about country-level consistency and limitations of the LIS harmonisation efforts, (2) visualisation of inequality measures by the underlying country series and (3) continuously updated comparisons between aggregated micro data and national accounts figures.

Our articles in the *Inequality Matters* section look at inequality trends in Latin America. Mauricio De Rosa (Universidad de la República, Uruguay), Ignacio Flores (CUNY and PSE), and Marc Morgan (Geneva University) apply a systematic methodological procedure enriching harmonised microdata from ten countries in the region through information from tax data, national accounts, and in-kind transfers. In a second article Jad Moawad and Daniel Oesch (both University of Lausanne) challenge the thesis of a middle class squeeze; they argue that the great loser of the last four decades has been the working class. The authors trace the evolution of employment and income by social class in six large Western countries. Last but not least, Taylor Kroezen (LIS) summarised the proceedings of the 40th Anniversary Conference. A highlight was its concluding roundtable discussion on the future of LIS moderated by François Bourguignon with renowned speakers from local and international institutions including Serge Allegrezza (STATEC), Richard Blundell (University College London), Peter Lanjouw (LIS), Aura Leulescu (Eurostat, EU Commission) and Luis Felipe López-Calva (World Bank).

Enjoy reading! Jörg Neugschwender

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More Unequal or Not as Rich? Revisiting the Latin American Exception

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(based on De Rosa, M., I. Flores, M, Morgan. (2022). More Unequal or Not as Rich? Revisiting the Latin American Exception, SocArXiv. August 24. doi:10.31235/osf.io/akq89)

Overview

Income inequality has regained attention in academia and politics, with rising trends observed globally over the past three decades (Alvaredo *et al*., 2018). Latin America, however, has been seen as an exception to this trend, with numerous studies documenting a decline in income inequality across the region during the first fifteen years of current century (López-Calva and Lustig, 2010; Gasparini *et al*., 2018; Sánchez-Ancochea, 2021). While recent studies based on administrative data cast serious doubts on this narrative, they cannot result in definitive assessments about the overall distribution due to low population coverage (Alvaredo, 2010; Souza, 2018; Burdíın *et al*., 2022).

This paper aims to reassess the prevailing narrative of declining inequality in Latin America by adopting an innovative approach (Alvaredo *et al*., 2016; Zwijnenburg, 2019). We build a comprehensive dataset that combines harmonized surveys, social security and tax data, and national accounts from ten Latin American countries. This approach allows us to reconcile micro and macro income data and address critical gaps, namely, in the coverage of top/capital incomes.

Our first contribution is to bring new evidence to the debate regarding the level and trend of inequality in Latin American countries. By distributing all macroeconomic income, we face a dilemma. If we assume that national accounts provide an accurate benchmark for aggregate incomes, our findings indicate that inequality in the region is much higher than previously believed. However, if we assume that official surveys are more representative of household incomes, the prevailing consensus on declining inequality is supported, albeit with the implication that Latin American households are considerably poorer than suggested by official macroeconomic statistics.

Additionally, while adjustments may cancel out inequality declines in some countries, falling inequality trends persist in others, though to a lesser extent. We also highlight the role of capital incomes and the top 1% in shaping overall inequality dynamics. The increasing contribution of capital incomes and top 1% incomes, combined with rising inequality within the top 1%, reveal the limits of Latin America's celebrated redistributive efforts, which seem to have been exclusive to the bottom 99%.

As our second contribution, we estimate post-tax income series by considering macroeconomic values of all taxes, transfers, and in-kind spending. We estimate three post-tax distributions: "post-tax spendable," "post-tax disposable," and "post-tax national". This allows us to estimate effective tax rates too, providing more insight to our understanding of redistributive systems in the region. They are mostly characterized by a regressive monetary redistribution, but progressive in-kind benefits, from both health and education spending.

It is important to note that our approach is experimental and tailored to address a specific research question. While it may be of interest to policymakers and the public, it is not considered the gold standard. Our work emphasizes the shortcomings in current income statistics, which obscure our understanding of economic growth and its distribution. This highlights the need for better, more integrated, and coherent income statistics from data producers in the region and worldwide.

The publication of this paper is accompanied by a forthcoming website, expected in September 2023, presenting interactive visualizations and download options to explore our data set.

Data and Methodology

This study builds estimates for ten countries: Argentina, Brazil, Chile, Costa Rica, Colombia, Ecuador, Mexico, Peru, El Salvador, and Uruguay. The data spans from 2000 to 2021.

The data construction involves four main steps. Firstly, we estimate the income distribution using harmonized survey data. Due to the limited representation of top incomes in surveys, administrative records from tax sources are incorporated to provide a more accurate representation of top incomes.[1] Secondly, the main income components, such as wages, property incomes, mixed income, pensions, and imputed rents, are scaled to match their corresponding national accounts aggregates. This scaling process ensures macroeconomic consistency in estimating inequality. Thirdly, additional incomes that are not captured in the household sector, such as corporate retained earnings and other incomes, are imputed to achieve a comprehensive representation of national income.

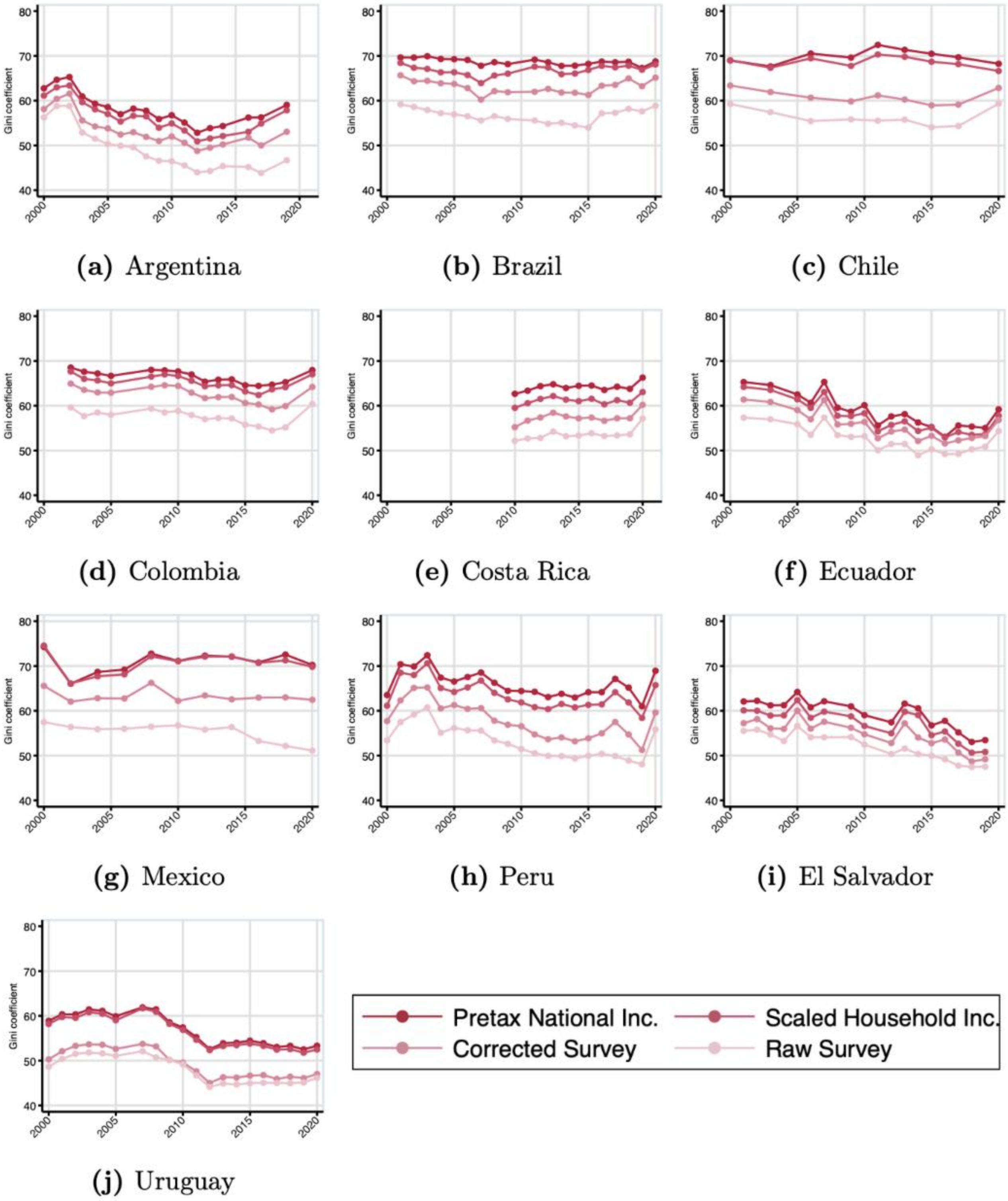
Post-tax series are generated by considering taxes, monetary transfers, and in-kind public spending. The incidence of personal income tax and social cash benefits is directly observed in administrative records and surveys, respectively. For other items, external sources including OECD and World Bank databases, as well as data from the Commitment to Equity project (CEQ), are used to allocate consumption taxes and in-kind spending to individuals. Micro-simulation techniques or proxies are employed as needed.

Growing richer and less equal?

The new millennium brought exceptional growth to Latin America, largely driven by a global increase in commodity prices. This period is often associated with a falling-inequality narrative based on survey-based statistics.

The evolution of the Gini coefficient (pre-tax income) is examined for four different income distributions. Notably, inequality estimates increase after each adjustment to the raw surveys. Adjustments based on tax data and scaling household incomes to national accounts both contribute to an increase in inequality. The allocation of undistributed corporate profits, imputed mostly to top percentiles, further contributes to this trend. These findings suggest that the region may either be more unequal than previously thought or not as economically prosperous as indicated by official macroeconomic statistics.

Figure 1. Gini coefficients in four distributions



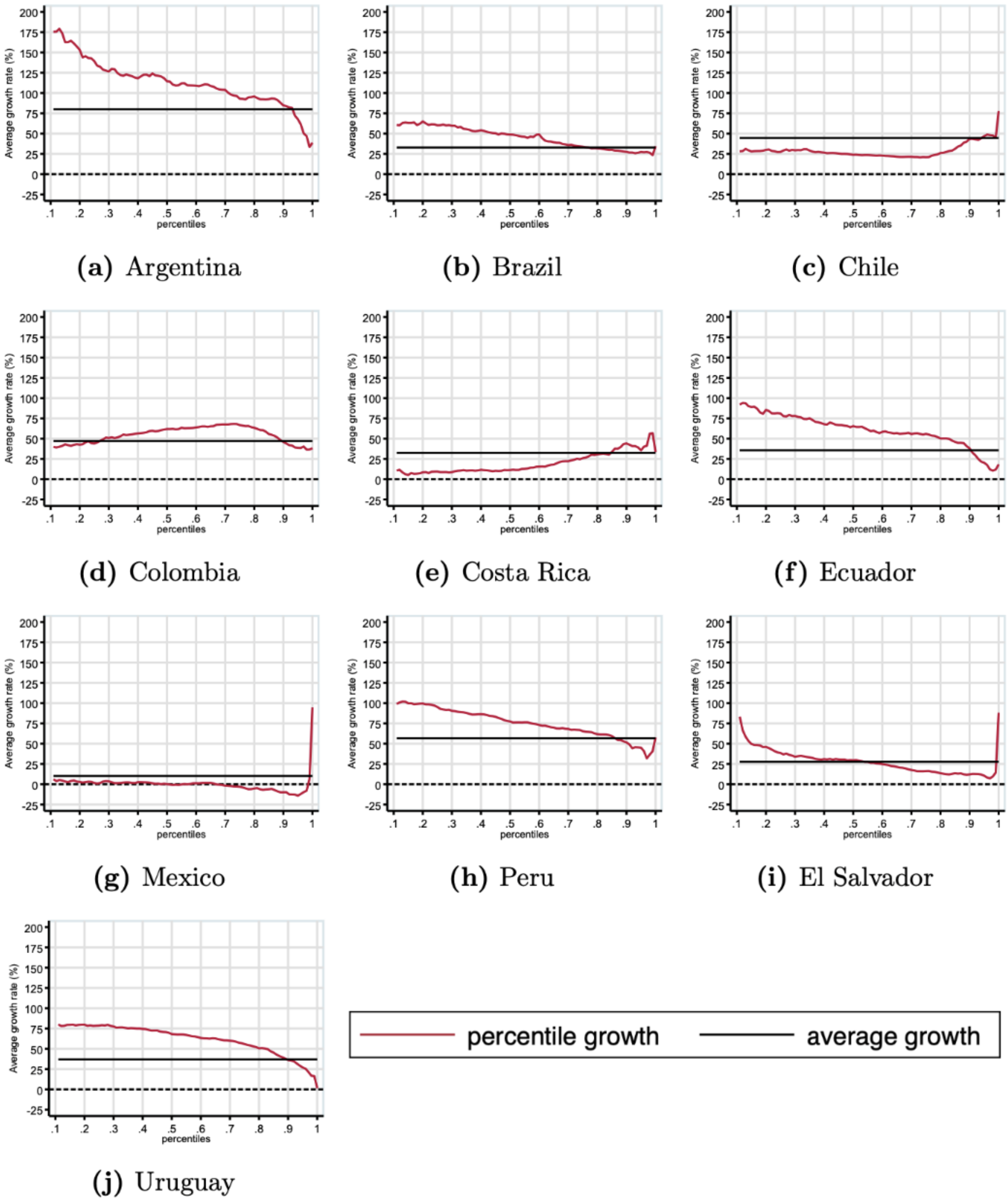
Note: Authors' elaboration. The figures depict four distributions: the household survey-based distribution and three augmented distributions based on three adjustment steps to the survey. The first step uses administrative data (income tax and social security wage data) to reweight the raw survey data; the second step scales the income totals in the tax-adjusted survey to their equivalent household level aggregates in the national account; the third step impute missing income needed to reach national income. The distributions are of pre-tax household per capita income (including pensions and after social contributions).

Furthermore, inequality trends show a diverse picture across countries. While some exhibit a downward trajectory throughout the period, others experience stability or even increases. Interestingly, falling inequality can coexist with stable or growing shares going to the top 1%. This highlights the need for a more nuanced understanding of inequality dynamics beyond a simple narrative based on general indices.

Growth incidence curves of pre-tax national income during the commodity boom period reveal that, in many cases, lower income groups experienced higher growth rates than the average. However, the top 1% outperformed the average in a few countries. Argentina and Uruguay stand out as countries where lower incomes consistently benefited from higher growth rates across all percentiles.

These findings emphasize the importance of adopting a macro-consistent framework that integrates various data sources and considers both measurement and conceptual differences.

Figure 2. Growth incidence curves during the commodity boom



Note: Authors' elaboration. Income is household per-capita pre-tax national income. Baseline year is 2003 for every country except Mexico, Costa Rica and Peru (2004), while the final year is 2013 for all except Mexico (2014). Growth rates are average growth rates of real income by percentile (red line) and for the whole population (black line).

Redistribution: Taxation, Transfers, and Spending

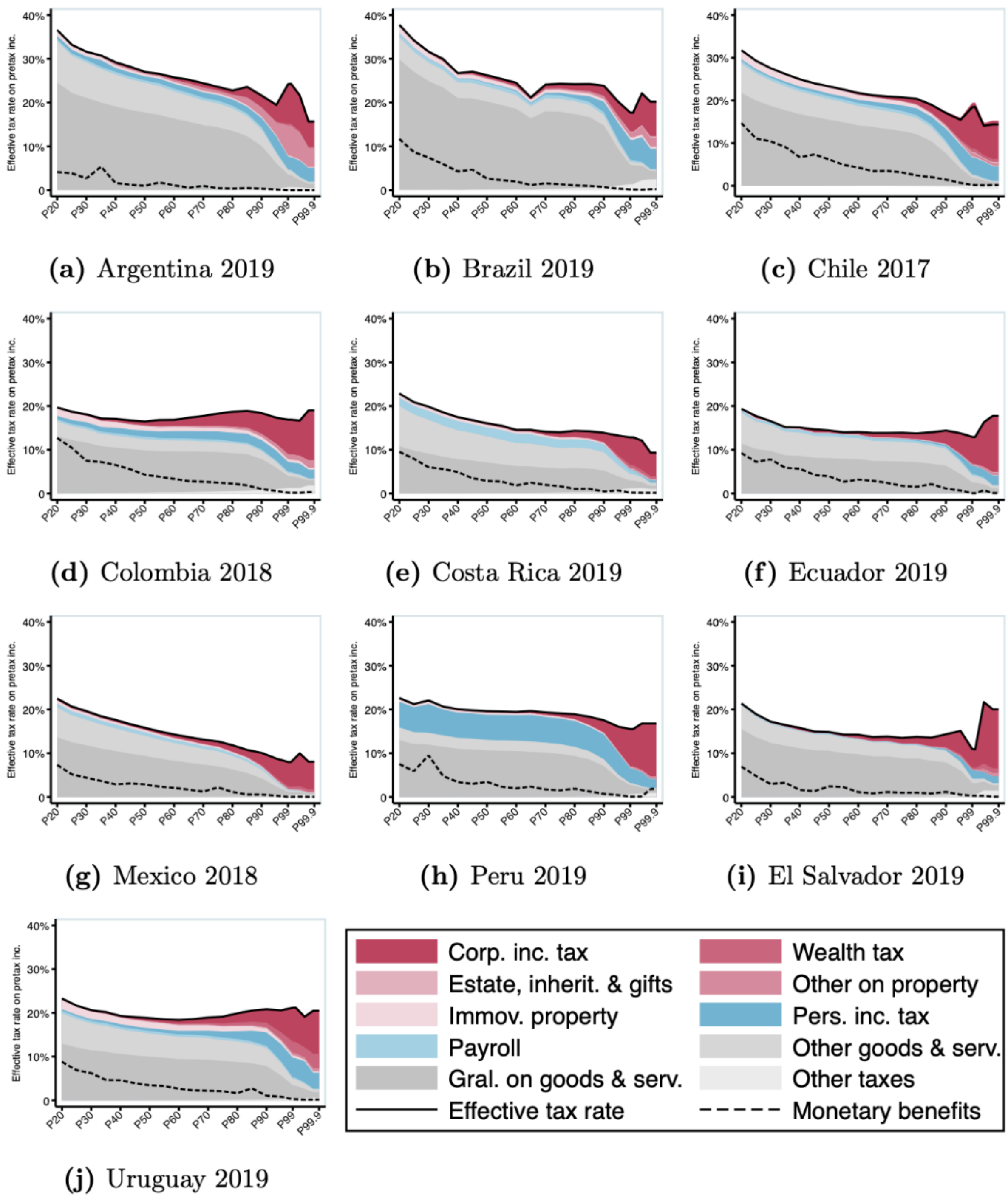
Previous studies have shown that direct taxes and cash transfers have a limited impact on reducing income inequality compared to wealthier countries (see Lustig *et al*., 2014). However, when considering social spending, the redistributive effect becomes more evident. Our study takes a comprehensive approach by analyzing the totality of national income, including national taxes, and national social expenditures.

Examining the composition of national taxes in the region, we observe diverse patterns among countries. Consumption and production taxes constitute more than half of the total tax revenue in the region, while personal income taxes represent a relatively small share. Social security contributions vary considerably across countries, and property and corporate income taxes together make up about a quarter of total taxes.

Among progressive taxes, personal income taxation is redistributive in every country except for Peru. Wealth/property taxes and corporate income taxes also exhibit a progressive incidence, while taxes on goods and services, along with the residual category of "other taxes," display regressive patterns. Monetary benefits, in the form of transfers, demonstrate a clear progressive profile across all countries.

The overall effect of taxes and transfers on the income distribution remains slightly regressive or neutral at best. Value-added taxes contribute significantly to the regressiveness, and their removal results in a substantial reduction in inequality throughout the region.

Figure 3. Incidence of taxes and transfers



(a) Argentina 2019 (b) Brazil 2019 (c) Chile 2017

(d) Colombia 2018 (e) Costa Rica 2019 (f) Ecuador 2019

(g) Mexico 2018 (h) Peru 2019 (i) El Salvador 2019

(j) Uruguay 2019

Note: Authors' elaboration. The pre-tax per capita household income.

The redistributive effect of the remaining taxes and transfers is mild, and their impact on reducing inequality is limited, except for specific periods in Brazil and Uruguay. Consequently, changes in the income distribution are primarily driven by pre-tax incomes.

Incorporating social spending in-kind, particularly in health and education, alters the narrative. However, the literature on income inequality in Latin America often overlooks in-kind social spending. Usually, inequality studies do not fully account for the entire tax and transfer system. In a cash basis, disposable income profiles exhibit regressiveness due to the weight and regressive nature of consumption taxes.

Overall, our findings indicate that the redistributive effect of public policies in the region, considering the totality of national income, taxes, transfers, and social spending, is limited. While personal income taxation and certain wealth/property and corporate income taxes exhibit a progressive impact, the dominance of regressive consumption taxes offsets the overall redistributive effect. Monetary transfers demonstrate a clear progressive profile but are insufficient to significantly reduce inequality. When in-kind social spending is incorporated, especially in health and education, inequality trends change, leading to falling inequality in most countries. The role of pre-tax income remains paramount in shaping income distribution, emphasizing the importance of addressing pre-tax inequality as a key driver of income disparities.

Conclusion

This paper discusses trust in data sources and its impact on understanding dynamics. If we accept the region's reported macroeconomic data, it implies greater wealth but also updating inequality estimates upward. However, by analyzing combined sources, we observe that inequality trends in big economies like Brazil, Mexico and Chile are flat or increasing during the high-growth years of 2003-2013. Adjustments to the raw survey data hamper the declining trend elsewhere, and in the post-2015 period of low growth, inequality increases faster in the augmented series compared to the raw series.

Our results indicate that the Latin America's exceptionalism narrative is incomplete. While inequality decreased for the bottom 99% and wages regionally, this was not uniformly true when considering top income groups and capital incomes from outside the survey. This highlights limitations in the region's redistributive experience. We also find that the falling inequality narrative becomes stronger when in-kind social spending is considered.

Although our analysis relies on imperfect and diverse data, it represents a unique effort to provide conceptually consistent inequality estimates by utilizing a wide array of data sources. However, we acknowledge the need for country-specific research to address data gaps and their implications for inequality analysis.

1 In practice, we use the method described in Blanchet, Flores, and Morgan (2022), which uses the ratio of survey observations to administrative observations by income percentile beyond a cut-off point (or “merging point”) to adjust survey weights, using the survey calibration theory. Please refer to the paper for more details.

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The Myth of the Middle Class Squeeze: Employment and Income by Class in Six Western Countries, 1980-2020

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Over the last two decades, income inequality has moved to the top of the research agenda in sociology (McCall and Percheski 2010) and economics (e.g. Atkinson 2015). In contrast, less attention has been devoted to the question of how absolute incomes have evolved over time (Nolan 2018). Yet while individuals only have a very vague idea of income inequality (Engelhardt and Wagener 2018), they are keenly aware of how their absolute income evolves year by year.

Since the 1980s, growth in median incomes has slowed down across the Western world, stagnating over long periods in Germany, France or the US (Nolan 2020). Income stagnation not only means that productivity growth is not shared equally, but also translates into stalled living standards for successive cohorts. In the public debate, income stagnation has been linked with *middle class squeeze*. Across the Western world, a common narrative considers the middle class as the primary victim of the new gilded age – both in terms of falling employment (Autor and Dorn 2013) and eroding incomes (Grabka and Frick 2009). Primarily proposed by economists, this narrative has found a large echo in the mass media.[1]

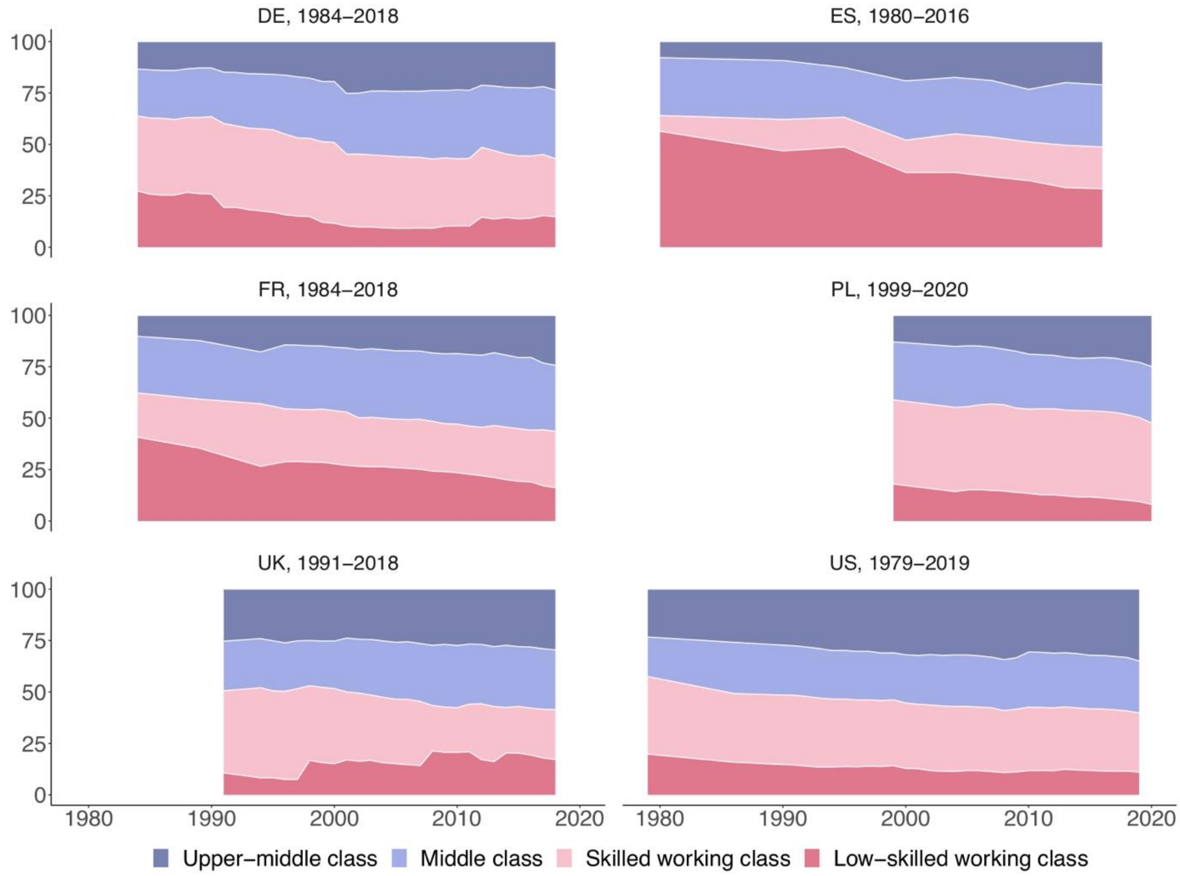
The corrosive effect of stagnating incomes on households is undisputed. However, we challenge the thesis of a middle class squeeze and argue instead that the great loser of the last four decades was not the middle class, but the people laboring below them, the working class. Our goal is to show empirically how different social classes fared between 1980 and 2020. We trace the evolution of employment and income by class in six large Western countries – France, Germany, Poland, Spain, the United Kingdom and the United States.

Our analysis is based on the best available comparative micro-database, the Luxembourg Income Study (LIS) Database, which allows combining several dozen country surveys such as the Current Population Survey for the US or the Socio-Economic Panel for Germany. We focus on the household level as the decisive unit of people's well-being and show how the working-age population fared over the last decades in terms of household labor income and household disposable income.

Change in employment

Before analyzing the evolution in income, we need to document that labor demand has been biased against the working class. For this reason, Figure 1 shows how the class composition of the economically active population aged 25 to 60 evolved over the last four decades. In the 1980s and early 1990s, the two working classes jointly outnumbered the two middle classes in all six countries. With over a third of the labor force, the skilled working class was initially the

Figure 1. The class composition of the workforce over time (in %)



Source: Luxembourg Income Study (LIS) Database.

largest single class in Germany (37% in 1984), Poland (41% in 1999), the UK (40% in 1991) and the US (38% in 1979), whereas the low-skilled working class was numerically predominant in France (41% in 1984) and Spain (56% in 1980).

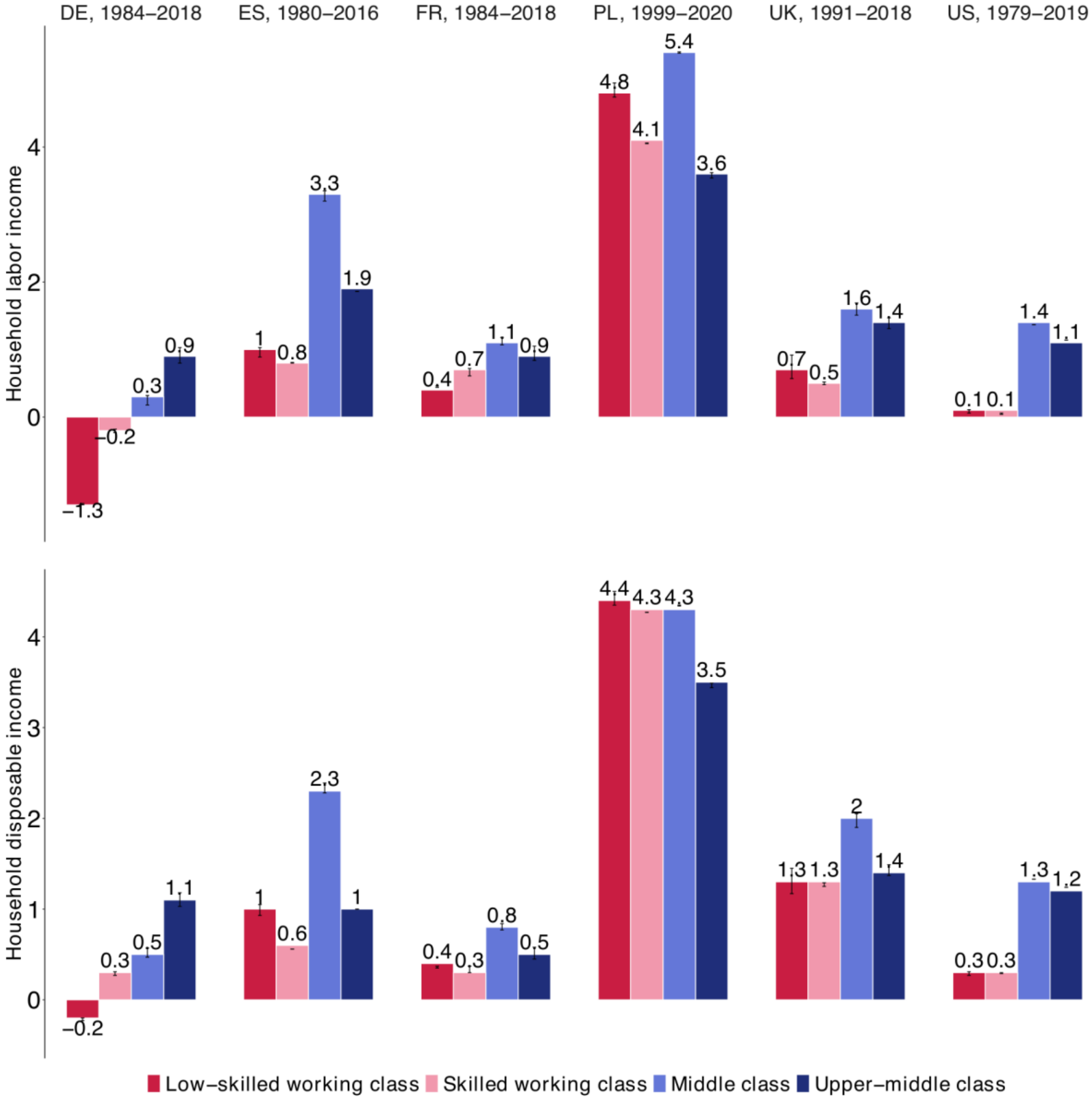
Three to four decades later, the class composition looks very different as the middle class and upper-middle class jointly outnumber the skilled and unskilled working class in every one of the six countries. While the upper-middle class has become the most sizeable single class in the UK (30%) and the US (35%) at the end of the 2010s, it is the middle class that predominates in Germany (33%), France (32%) and Spain (30%). Only in Poland the skilled working class has remained the largest class category with 40 percent of the workforce in 2020.

These findings do not seem to be driven by differential selection into employment over time either. For the five countries under study which we observe for three decades and more (all except Poland), the share of households headed by an adult aged 25 to 60 where no member was in paid employment – because of unemployment or economic inactivity – decreased over time: from 31% in the 1980s to 28% in the 1990s and 24% in the 2000s and 2010s.

Change in labour income

We examine the class-income nexus in greater detail with a multivariate model that accounts for age, gender and household size. The upper panel of Figure 2 shows the adjusted predictions of these models (also known as marginal effects), expressed on an annualized basis, and compares household labor income with household disposable income. These results lead to very similar conclusions. We observe that Poland is the only country where working-class households obtained comparable gains in labor income as did middle-class households. Poland's broadly shared income growth contrasts with the situation in the US, Spain and, above all, Germany where the middle and upper-middle class earned, on average, one percent more per year over the last three decades as compared to the low-skilled working class. Summed up over thirty years, this led to a widening of the labor income gap by 33 percent.

Figure 2. Annual change in household labor income and household disposable income, in %



Note: Results are based on a regression on the log of household income with controls for class, age, gender and household size. We use the income predicted by the regression for a given class at the beginning and end of each period in order to calculate the difference. This difference is then divided by the number of intervening years.

Source: Luxembourg Income Study (LIS) Database.

If the focus is shifted to household disposable income rather than household labor income, conclusions remain almost unchanged (Figure 2, lower panel). Thanks to the redistributive character of taxes and transfers, the low-skilled and skilled working class fared a bit better in Germany and the UK in terms of disposable income rather than labor income. Germany's low-skilled working class lost one percentage point less of disposable income than labor income – but still had to contend with negative growth in disposable income between 1984 and 2018. Similarly, in the UK, the income trajectories become more similar across classes if we compare disposable rather than labor household income.

Differences across birth cohorts

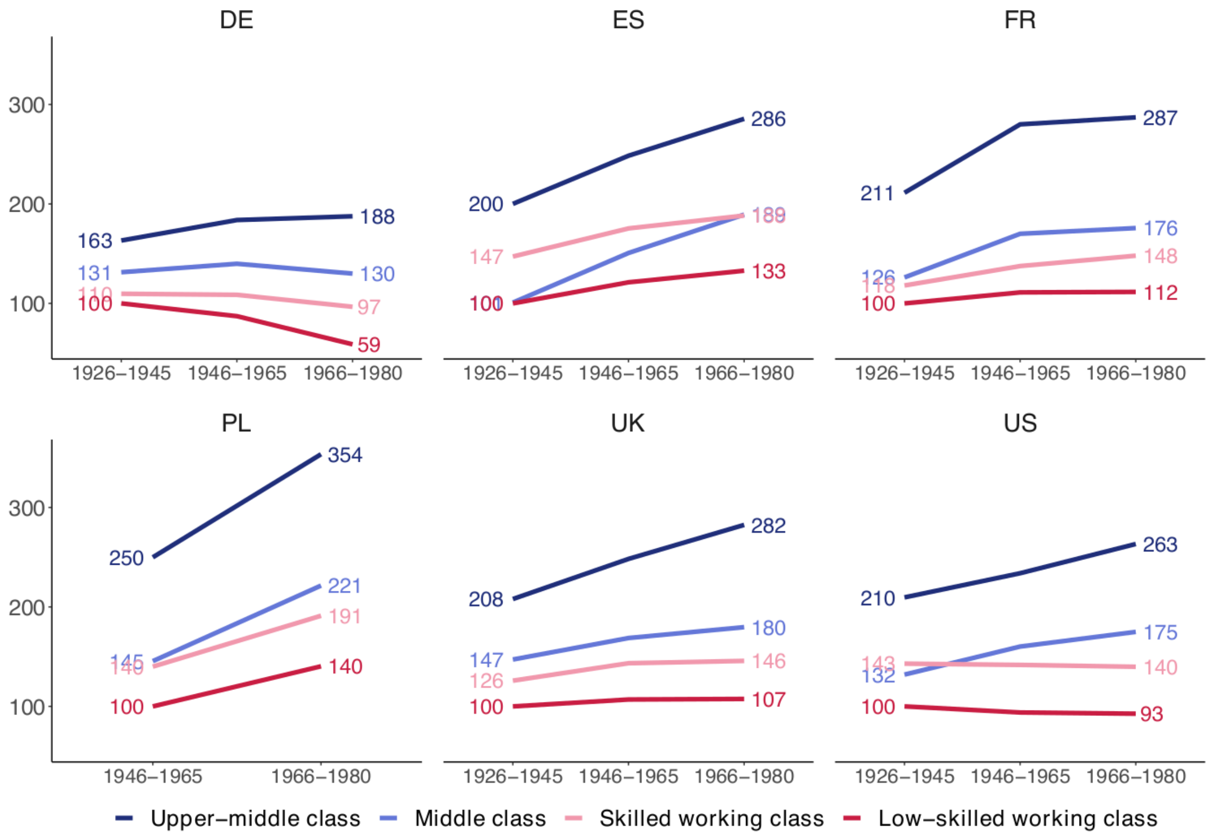
The question arises of how the income evolution of classes varied across birth cohorts. Figure 3 provides an answer by showing the predicted household labor income by class for three cohorts. These analyses control for age (in single years), gender and household size and are restricted to individuals aged 35 to 50. For easier interpretation, we set the income at 100 for the low-skilled working class born into the Silent Generation (1926-45) and express all other incomes relative to this reference value.

When comparing the experience of different working-class cohorts, three income trajectories can be distinguished. First, a *downward trajectory* describes the German experience where working-class incomes at a given age were highest in the Silent Generation, stagnated for workers belonging to the Baby Boomers (1946-65) and declined for workers in Generation X (1966-1980). In Germany's low-skilled working class, each successive generation had to settle for lower incomes than the Silent Generation whose early working lives coincided with the *Wirtschaftswunder* – economic miracle – of the post-war decades.

Second, a *stagnant trajectory* applies to the working-class experience of the three birth cohorts in the United States. In clear contrast to the American middle and upper-middle class, the working class born in the Baby Boomer and Generation X cohorts made no income gains compared to their working-class parents and grandparents. In the US, as in Germany, the living standards of the working class had stalled for successive birth cohorts.

Third, an *upward trajectory* in a weak version, applies to France and the UK where ensuing working-class cohorts did slightly better than the working class in the Silent Generation. However, income gains were meager and remained below the increases observed for the same birth cohorts in the middle and upper-middle class. A clear upward trajectory can only be observed for Poland and Spain. In Spain, working-class households of Generation X earned inflation-corrected labor incomes that exceeded those of working-class households in the Silent Generation by almost 50 percent. Similarly, in Poland where our data cover a shorter time span, the working-class incomes of Generation X surpassed those of the Baby Boomer working class by 50 percent.

Figure 3. Household labor income by class and cohort (adjusted predictions)



Note: Results are based on a linear regression on the log of household income with controls for class, cohort, class*cohort, age, gender and household size. They show the adjusted predictions for the cohort term and interaction term between class and cohort. All incomes are expressed relative to the income of the low-skilled working class in the Silent Generation which is set, within each country, at 100.

Source: Luxembourg Income Study (LIS) Database.

If the focus is shifted to the middle and upper-middle class, country differences shrink. The incomes of the middle and upper-middle class barely grew across birth cohorts in Germany. In France, the US and the UK, households of the middle and upper-middle class saw their incomes grow slowly, but they fared clearly better in the Baby Boomer cohort than in the Silent Generation and, with the notable exception of France, somewhat better in Generation X than among Baby Boomers. Again, we observe the strongest income gains of the upper-middle and middle class across birth cohorts in Spain and, over just one generation, in Poland.

Discussion

In their recent forays into class analysis, prominent economists argued that the middle class was declining (Pressman 2007), eroding (Vaughan-Whitehead 2020) and had been wrecked by technology. The dominant thesis was that technology "led the middle class to experience a hollowing out in terms of wages and employment" (Jaimovich 2020: 4). Our analysis rejects this thesis on the basis of three main findings.

The middle class experienced gains in both employment and income. There has been no middle class squeeze over the last decades, neither in terms of employment nor income. In the 1980s and early 1990s, the middle and upper-middle class were still outnumbered by the skilled and low-skilled working class in the six large Western countries that we studied. Yet over the last four decades, the relative sizes shifted as job opportunities expanded for managers, professionals and technicians, while they declined for laborers, assemblers, craft workers and clerks. Consistent with a host of recent comparative studies (Fernandez-Macias & Hurley 2017, Oesch and Piccitto 2019), we observe the upgrading of the class structure in all countries except the UK where the class structure polarized, with employment growth in the upper-middle and middle class as well as in the low-skilled working class.

Over the last three to four decades, there was no income squeeze of the middle class either as household labor income of the middle and upper-middle class increased, on average, by about one percent per year in France, the UK and the US. This may appear modest when compared to the post-war decades, but corresponds nonetheless to an income increase of 33 percent over thirty years. The income trajectory of middle and upper-middle class households was steeper in Spain with annual increases of 2 to 3 percent and in Poland with 3 to 4 percent, but flatter in Germany with less than one percent. Over the last decades, the promise of doing economically better than one's parents and grandparents still held for the members of the middle and upper-middle class in France, Poland, Spain, the UK and the US. The only exception is Germany where living standards stagnated for successive middle-class cohorts.

The working class lost out: Both in terms of employment and income, the great loser over the last decades was the working class. In the wake of skill-biased technological change, globalization and the neoliberal turn in politics, labor market opportunities deteriorated for the working class. The employment share of the low-skilled working class fell massively in both the large and small countries we studied, the UK being the sole exception. The skilled working class also shrank in most countries, albeit less strongly. As a result, in the 21st century, the working class lost its majority status that it had held in Europa and the US over most of the 20th century.

Implications of the working-class decline: Our analysis' main findings is the extraordinary decline that the working class experienced over the last decades, both in terms of employment and income. In our view, much of the recent political turmoil in Western democracies is due to the working class losing out. As neither markets nor politics delivered any real improvement in living standards over the last decades, growing shares of the working class turned towards candidates and parties of the radical right. In the context of insecure jobs and stagnant incomes, these parties' vociferous resistance to globalization, multiculturalism and national elites struck a chord with the discontented working-class electorate (Bornschier and Kriesi 2012).

Given the empirical evidence, we see only one way in how the thesis of a middle class squeeze could be rescued: by arguing that there is no such a thing as the working class because the middle class begins when poverty ends (Ravallion 2010). This semantic argument has gained substantial traction among economists and international organizations such as the OECD. Yet it is so clearly inconsistent with the recent history of industrial societies that it requires a healthy measure of amnesia. Between 1945 and 2020, 34 articles mentioned the working class in the title of the *American Sociological Review* and 76 articles in the *American Journal of Sociology*. This is a lot of attention for a non-existent class.

A final question remains: Why did the narrative of a middle class squeeze gain so much public prominence despite the lack of evidence? Besides the argument that the middle class has replaced the working class in the language of the 21st century, two additional arguments focus on morals and expectations. According to a moral argument, the stagnation of working-class incomes may not have been overly worrisome to many pundits, as it only seemed natural that in the knowledge economy workers without higher education would see their incomes stall. The perception of the problem changed, however, once white-collar employees with post-secondary educational degrees experienced a slowdown of income growth. For the educated middle-class, the halted economic elevator appeared altogether undeserved and was seen as "a broken promise".

Finally, the thesis of the middle class squeeze may also be linked to people's expectations of income growth. Three decades of massive GDP growth after 1945 led to firmly entrenched expectations of rising incomes and living standards. Workers socialized in this context came to view annual income gains of half to one percent as a step back (Inglehart and Norris 2017). Moreover, the slowdown in economic growth did not only mean that there was less income to distribute – but, crucially, this income was distributed unequally as a small elite class pocketed the lion's share in the new gilded age (Piketty 2014).

The statement that the middle class has been left behind is therefore correct when compared with the fortune of those *above*. However, it completely ignores that the real losers of the last few decades were situated *below* – the working class.

1 For the US: *New York Times,* "What's really squeezing the middle class?", April 25 2007. *Financial Times*, "The crisis of middle class America", July 30 2010. *Wall Street Journal*, "The middle class squeeze", September 25 2015. For the UK: *Guardian*, "Robots will not lead to fewer jobs – but the hollowing out of the middle class", August 20 2017. For Germany: *Spiegel,* "Deutschlands Mittelschicht schrumpft dramatisch" [Germany's middle class shrinks dramatically], December 13 2012. *Süddeutsche Zeitung*, „Schrumpfende Mittelschicht: arbeite hart, aber besser geht es dir nicht" [Shrinking middle class: work hard, but you won't fare any better], August 29 2015. For Spain: *El Diario* "Adiós a la clase media"

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Highlights of the LIS 40th Anniversary Conference (May 25th-26th 2023)

Taylor Kroezen ✉, (LIS)

The Anniversary Conference to celebrate 40 years of the Luxembourg Income Study took place on May 26th 2023 at Campus Kirchberg following the Anniversary Lecture in Bourglinster Castle on the 25th of May 2023.

The 40 years of LIS festivities kicked off with the Anniversary Lecture given by Richard Blundell from the University College London. In his address Richard Blundell explored the past 40 years of income survey data, and using four country examples he focused on economic inequalities over the working life to shed light on some major innovations in data collection and changes to the range of available data over the decades. He discussed innovations in linking data (administrative, registers and household survey panels), and the importance of continuing this effort of building linkages across data on income, wealth and consumption. He also emphasized the exciting new directions and measurement approaches made possible through incorporating consumption data with income and wealth for 3-dimensional measures of inequality and poverty.

Richard Blundell giving the 40th Anniversary Lecture.

The following day, the Anniversary Conference was opened with welcoming remarks by Mr. Claude Meisch, the Minister of Higher Education and Research in Luxembourg, who applauded the success story of LIS over the past 40 years by enabling, promoting and facilitating cross-national research. He outlined the government's support and contributions to LIS since its very beginning and naturally the government's continued support during the transition to the independence of LIS in 2002. Mr. Meisch acknowledged the strong involvement of LIS in training young academics, collaborative research activities, research projects and highlighted the harmony between LIS and the government's policy on research and development focused on the knowledge of society aiming at excellence and international visibility.

The conference sessions began with Philippe Van Kerm from the University of Luxembourg and LISER who presented inequality trends in Luxembourg from (almost) 40 years exploiting LIS household income data. Looking at series of distributive statistics from 1985-2019 and some driving factors behind the surface of the series, Philippe Van Kerm revealed the convincing upward trend of income inequality in Luxembourg. He additionally explored some driving factors behind the trend and showed that the unequal growth of income between the top and bottom percentiles seems to contribute to the inequality in Luxembourg, and even more surprisingly he found that the changing demographic composition of Luxembourg over that past 40 years plays an important role in driving inequality upwards. The discussant Conchita D'Ambrosio (University of Luxembourg) stressed the importance of these results in relation to the government's strategy of making Luxembourg a knowledge society which has greatly impacted the demographic structure in Luxembourg and ultimately has an impact on the growing income inequality in the country.

The conference followed with presentations by past directors. Tim Smeeding (University of Wisconsin-Madison), Janet Gornick (Stone Centre on Socio-Economic Inequality) and Markus Jäntti (Stockholm University) recounted the history of LIS, as well as the growing research over the past 40 years using LIS data on topics including, but not limited to, inequality, poverty, labor market, gender and distributions of wealth. As discussant, Michael Förster from the University of Antwerp and SciencesPo (previously OECD) further complemented (and complimented) the presentations by highlighting first the vast use he and former colleagues at the OECD made of LIS data in most of the OECD work on inequality. He concluded by showing some topics to pursue in future research using LIS data such as the impact of women's employment on income inequality, combining income and consumption to look at the distribution of arbitrable income, differing purposes for holding wealth and incorporating perceptions of inequality which are often linked to reality.

From left to right: Markus Jäntti, Serge Allegrezza, Claude Meisch, Peter Lanjouw, François Bourguignon, Tim Smeeding, Janet Gornick, Teresa Munzi, Richard Blundell.

Another interesting theme of the conference focused on income inequality in Latin America. Francisco Ferreira from the International Inequalities Institute at LSE, explored the uncertainty in the measurement of inequality in Latin America and found when examining household surveys that while the trends of inequality are robust, the levels of inequality for any given year have considerable variation. He stressed that this is the case when only one data source is used, even much more variation is to be expected when introducing additional sources. Facundo Alvaredo from the Paris School of Economics, shared additional insights on the feeling of uncertainty when measuring inequality in Latin America due to the existing gaps between survey data and national accounts. He showed how the practices of incorporating adjustments for top incomes using register data and upscaling to the national accounts, do not ease the feeling of uncertainty about inequality measures, at least in the case of developing countries. Andrew Heisz (Statistics Canada) as the discussant further inquired about the inequality of the bottom of the distribution, while many researchers focus on adjusting for the top of the distribution, there is very little known about the bottom of the tail as these individuals are largely absent from national statistics which is problematic as it results in a loss of access to benefits, since they are unknown to the government.

The next main session on global poverty and inequality, began with the presentation by Dean Jolliffe from the World Bank. With results based on the World Bank data (which, for high income countries, are in part based on LIS data), he discussed the distribution of extreme poverty, and trends in the international poverty line as well as the societal poverty line which reflects the idea that being poor is relative and declines more slowly over time. The discussant Andrea Brandolini (Bank of Italy) further reflected on the use of the terms absolute and relative when talking about the international poverty line (IPL) because in some ways the IPL is in itself both absolute (fixed and adjusted for inflation) and relative (reflects poverty in the poorest countries at a point in time). The following presentation by LIS' President François Bourguignon looked at the historic and recent evolution of global inequality. While there is a general agreement on the historical upward trend and recent trend reversal, François Bourguignon discussed the sources of divergence between the data and methodological issues in the measurement of global inequality when looking at the results by Branko Milanovich, by the WIL group (WID) and the data produced by himself based on the World Bank's PIP. Stephen Jenkins from the London School of Economics, echoed the presentation and discussed the important role of the distributional national accounts approach *vs.* the household survey approach in explaining the divergence of within-country inequality trends, and concluded that while the two approaches are different, they ought to be complimentary and not in competition.

The 30th Aldi Hagenaars Memorial Award 2023, granted to the writer under 40 whose LIS/LWS Working Paper of the previous year best demonstrated the excellent scholarship that Aldi exhibited was presented to Regina Baker (University of Pennsylvania) and Heather O'Connell (Louisiana State University) for their paper "*Structural racism, family structure, and Black–White inequality: The differential impact of the legacy of slavery on poverty among single mother and married parent households*". The authors presented and shared the findings of their award-winning paper and gladly accepted the distinguished Aldi award. The award winning paper can be found here along with the past Aldi award winning papers on the LIS website.

From left to right: Regina Baker and Heather O'Connell receiving the Aldi Hagenaars Memorial Award 2023 by Peter Lanjouw.

The final session of presentations before the awaited roundtable discussion was on the topic of LIS initiatives. David Garces Urzainqui from the University of Copenhagen gave the first talk on top income adjustments and the approaches currently being explored using capital income with LIS data. Xavier Jara from the International Inequalities Institute at LSE shared some insights on the exploration of linking LIS and EUROMOD to run microsimulations in the EUROMOD software using LIS data with promising preliminary results and many opportunities for future work. Finally, Giovanni Vecchi from the University of Rome presented his joint work with Giulia Mancini (University of Sassari) on the feasibility of a consumption-based counterpart to LIS and LWS databases. Their pilot feasibility study revealed that the consumption flow from durables is the most problematic component in terms of data availability, but the results remained promising for a consumption aggregate without durables, where they found that 60% of the assessed surveys would be perfectly suitable.

The highlight for the conference was its concluding roundtable discussion on the future of LIS moderated by François Bourguignon with renowned speakers from local and international institutions including Serge Allegrezza (STATEC), Richard Blundell (University College London), Peter Lanjouw (LIS), Aura Leulescu (Eurostat, EU Commission) and Luis Felipe López-Calva (World Bank). Beginning the round table discussion, Richard Blundell emphasized again the case for more linkages of data and the benefits of longer time series. He also highlighted the potential value of including available health episode data with links to income, tax, labor-market and family structure to look into the impact and role of health on inequality. He concluded by encouraging countries to perform proper audits (if not already done) of data availability, linkages and accessibility such that we can share amongst ourselves and learn from each other. The round table discussion continued with remarks from Serge Allegrezza who warned that the Big Data revolution – albeit extremely intriguing for some type of analyses – does not enter the realm of statistical institutes, and is a dangerous path for institutions like LIS. Similarly, he urged LIS to be very careful with administrative data due to the difficulty of harmonizing it. Aura Leulescu followed with insights on the importance of pushing for joint distributional information on income and consumption to provide more information about the impact of the inflation crisis on the current cost of living and energy poverty. She additionally discussed the importance of timeliness in concern to income statistics and dealing with low frequency data and outlined that microsimulation models still face some constraints such as the over simulation of benefits. Luis Felipe López-Calva provided insights from the perspective of the World Bank. He discussed the issue of timeliness of the data and attempts to provide forecasted estimates when up-to-date data is unavailable. He also brought forward the question of the pertinence of broadening the analysis to consumption and highlighted the arising challenges of data accessibility in countries that are becoming more reluctant to share data. He concluded by encouraging further collaborations between LIS and the World Bank to proactively tackle the challenges raised and coordinate initiatives. The final speaker of the round table, Peter Lanjouw, reiterated the interest of having income, wealth and consumption available for users. He also raised the issue of geography and spatial coverage; household surveys usually lack the sample size to dig deep into regional levels and proposed assembling data that is spatially disaggregated in addition to the micro data to better observe spatial differences. During the final discussion, the audience members encouraged promoting statistical offices to include data on energy consumption and how energy is used and the importance that LIS continues to incorporate the feedback of users.

The 40th Anniversary Conference was a great success; a testament to all the hard work that has contributed to the success of LIS over that past 40 years. For more information about the presentations and papers discussed above, you can find most of the presentations from the conference available here .

The conference venue: Salle Paul Feidert, Campus Kirchberg, Luxembourg.

Data News / Data Release Schedule

LIS is happy to announce the following data updates:

Austria — Addition of one new dataset (AT20) for the **LIS** Database (1 new)

Canada — Addition of one new dataset (CA19) for the **LIS** Database (1 new)

Italy — Addition of one new dataset (IT20) for the **LIS** Database (1 new and 8 revised)

Sweden — Annualisation from 2002 to 2020 for the **LIS** Database (18 new and 1 revised)

United States — Annualisation from 1963 to 1978 and one more recent dataset (US21) for the LIS Database (16 new and 43 revised)

Data Releases and Revisions– Luxembourg Income Study (LIS)

Austria

One new dataset from Austria has been added to the LIS Database. The new dataset **AT20** is based on the Austrian Survey on Income and Living Conditions (EU-SILC) carried out by Statistics Austria.

Canada

LIS has added one more data point to the Canadian data series in the **LIS** Database. The new dataset CA19 is based on the Canadian Income Survey (CIS) provided by Statistics Canada.

Italy

One new dataset from Italy, **IT20** has been added to the *LIS Database*. The dataset is created from the 2020 wave of the **Survey of Household Income and Wealth (SHIW)** carried out by the Bank of Italy. As in **IT14** and **IT16**, detailed variables for taxes and social contributions (as simulated by the Bank of Italy) allowed the addition of taxes and contributions to all labour income and pension variables, so that also **IT20** can be considered a *gross* dataset.

A few consistency revisions have been carried out for the datasets **IT95** to **IT16**. Notably, an error in the construction of variable *migrat_c* (place of birth) has been corrected. Double counts of mortgage interest payments have been removed from variable *hxmort* (mortgage instalments) for the years **IT95** to **IT16**. The interest payments (*hxintm*) are still separately available for **IT14** and **IT16**, whereas the information is no longer provided in earlier datasets, as it was not possible to restrict the interest payments to mortgage.

Sweden

A first series of annual data has been released for Sweden, consisting of two series. The series **SE02** to **SE12** is based on the Household Income Survey (HINK/HEK) and the second series **SE13** to **SE20** uses information from both the Swedish Living Conditions Survey (ULF/SILC) and the Income and Tax Registers (IoT). All data have been provided by Statistics Sweden.

The previously available dataset **SE05** has been (re)harmonised with the latest information provided by Statistics Sweden.

United States

One more recent dataset, **US21** (Wave XII), has been added to the annual series of CPS-ASEC data in the LIS Database. The CPS-ASEC data is provided by the Bureau of Labor Statistics (BLS) / U.S. Census Bureau.

The data series has been also expanded backwards. The years **US63** to **US78** have been annualised using the respective datasets from Current Population Survey (CPS) - March Supplement, equally provided by the Bureau of Labor Statistics (BLS) / U.S. Census Bureau. While harmonising the early part of the series, some changes were applied to some datasets of the series:

- the coding of *educ_c* (and its recoding into *educlev* and *educ*) for the years **US79** to **US90** was improved;
- the coding of working hours (*hours1* and *hourstot*) was revised all throughout the series, mostly due to the treatment of zero versus missing hours;
- errors in the income variables were corrected for the years **US79** to **US86**, notably for rental income (*hi22*), private pensions (*p/hi33*) and public insurance transfers (*p/hpub_i* and *hpublic*);
- the coding of variable *ethnic_c* (ethnicity/race) for the years **US79** to **US86** was made consistent to the older series.

LIS/LWS Data Release Schedule

<table>
<tr><th></th><th>Autumn 2023</th><th>Winter 2023</th></tr>
<tr><td colspan="3">LIS Database</td></tr>
<tr><td>Belgium</td><td colspan="2">BE18-BE21</td></tr>
<tr><td>Hungary</td><td></td><td>HU16-HU21</td></tr>
<tr><td>Ireland</td><td colspan="2">IE20/IE21</td></tr>
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<tr><td>Luxembourg</td><td></td><td>LU20/LU21</td></tr>
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<tr><td>Sweden</td><td colspan="2">SE75-SE01</td></tr>
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<tr><td colspan="3">LWS Database</td></tr>
<tr><td>Colombia</td><td></td><td>CO10-CO18</td></tr>
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<tr><td>Sweden</td><td>SE97-SE07</td><td></td></tr>
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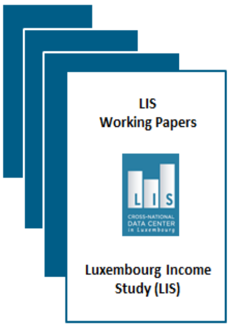
Working Papers & Publications



Focus on Family, Work, Economy, or Social Policy: Examining Poverty among Children of Single Mothers in Affluent Democracies between 1985-2016 LIS WP No. 860 by Amie Bostic (The University of Texas Rio Grande Valley)

Children of single mothers face higher rates of poverty than children in two-parent households in practically every affluent democracy. While this difference is widely acknowledged, there is little consensus regarding the causes of their poverty and, as a result, little consensus on the best way to address poverty among these children. Explanations include both individual-level, structural, and political explanations in four areas: family structure, labor force activity, economic performance, and welfare generosity. Previous research, however, tends to focus on only one of these four aspects at a time. Using data from the Luxembourg Income Study and the Organisation for Economic Co-operation and Development, spanning a period of 31 years and 25 countries, the author tests each of these four explanations, examining the effects on children in single mother households separately (n=105,814) and children in both single mother households and children in two-parent households (n=668,549), conducting random intercept between-within logistic regression analysis. Individual-level measures of family structure and labor market activity affect child poverty generally in the expected way. Taking advantage of the longitudinal data at the country level, the author focuses on within-country change of the structural and political variables. Within-country economic performance is not significantly related to poverty, but welfare generosity, namely family allowances, significantly reduce the odds of poverty. Further, while the effects of family allowance spending are similar for children in both single mother and two parent households, they are stronger for the former than the latter. Yet, the disadvantage of living in a single mother household persists.

LIS working papers series

LIS working papers series - No. 856
Demographic Behaviour and Earnings Inequality across OECD Countries
by Leo Azzollini, Richard Breen, Brian Nolan

LIS working papers series - No. 857
The Impact of Imputed Rent on Old-Age Poverty: The Evidence from the Luxembourg Income Study
by Edyta Marcinkiewicz, Filip Chybalski

LIS working papers series - No. 858
Social Spending, Poverty, and Immigration: A Systematic Analysis of Welfare State Effectiveness and Nativity in 24 Upper- and Middle-Income Democracies
by Amie Bostic, Allen Hyde

LIS working papers series - No. 859
Left-Behind vs. Unequal Places: Interpersonal Inequality, Economic Decline, and the Rise of Populism in the US and Europe
by Andrés Rodríguez-Pose, Javier Terrero-Davila, Neil Lee
Published in Journal of Economic Geography. 17 April 2023.
https://doi.org/10.1093/jeg/lbad005.

LIS working papers series - No. 860
Family, Work, Economy, or Social Policy: Examining Poverty among Children of Single Mothers in Affluent Democracies between 1985-2016
by Amie Bostic
Forthcoming in Population and Policy Review (2023)

LIS working papers series - No. 861
What Drives Long-Term Trends in Newly Retired Women's and Men's Economic Independence? An Analysis of Contemporary and Historical Determinants
by Laure Doctrinal

LIS working papers series - No. 862
Redistributive Impacts of Civil War: The Case of Côte d'Ivoire
by Vladimir Hlasny

News, Events and Updates

LIS 40th Anniversary Conference 2023

The Anniversary Conference to celebrate 40 years of the Luxembourg Income Study took place on May 26th at the Campus Kirchberg following the Anniversary Lecture in Bourglinster Castle on the previous day.

Mr. Claude Meisch, the Minister of Higher Education and Research in Luxembourg opened the conference with remarks on Luxembourg's strong contribution from the very beginning to the creation of LIS, and its success over the past 40 years. In the first session of the conference with chair Serge Allegrezza (National Institute of Statistics and Economic Studies of the Grand Duchy of Luxembourg, STATEC), Professor Philippe Van Kerm (University of Luxembourg, Luxembourg Institute of Socio-Economic Research) highlighted inequality trends in Luxembourg using 40 years of Luxembourgish household income data. Many prominent scholars who contributed to the creation and continuity of LIS over the past 40 years, among whom Tim Smeeding, Janet Gornick, Markus Jäntti, François Bourguignon, Andrea Brandolini, Stephen Jenkins and many more, shared insights on topics of inequality, global poverty and poverty monitoring using LIS data, while representatives from the World Bank, the OECD, the Paris School of Economics, the International Inequalities Institute, and others, brought their own outsider view. A roundtable discussion on the future of LIS with contributions from representative members of local and international institutions (STATEC, University College of London, LIS, Eurostat, EU Commission and the World Bank) concluded the conference and 40th Anniversary celebrations of LIS.

Highlights of the conference can be read here and the presentations can be accessed through this link.

Synopsis of the LIS Summer Workshop 2023

Last May marked the 31st edition of the LIS introductory Workshop since its start in 1988, and coincided with the celebration of the 40th Anniversary of the LIS creation. The workshop took place between 21-26 May at the University of Luxembourg, Belval Campus.

The workshop targeted scholars interested in using the LIS and LWS databases. Like in the past couple of workshops, this year's event was a joint effort with the Luxembourg Institute of Socio-Economic Research (LISER) and the University of Luxembourg. Prof. Louis Chauvel and Prof. Philippe Van Kerm taught methods for analysing inequality with LIS and LWS data.

The participants of the workshop joined from 11 countries around the world. They had different research interests and different academic backgrounds; including: Economics, Sociology, Statistics, Social Science, Political Science, and Social Work.

The workshop consisted of six days, divided between lectures and hands-on lab sessions. LIS introduced, besides Stata based lab sessions, also R programing language sessions. During the lab sessions, participants were introduced to the LISSY system interface and its coding best practices; gradually they were trained on how to apply more advanced techniques on LIS/LWS Databases.

The last day of the workshop was the LIS 40th Anniversary Conference, where the workshop students attended different presentations and talks around the topics of inequality trends around the world, and global poverty and inequality (with interventions by François Bourguignon, Dean Jolliffe, Timothy Smeeding, Janet Gornick, Markus Jäntti, Francisco Ferreira, Facundo Alvaredo, Andrea Brandolini, Stephen Jenkins, Philippe Van Kerm, and OECD colleagues).

LIS Anniversary Lecture 2023

On the 25th of May, Sir Richard Blundell, Ricardo Professor of Political Economy at the University College London and Institute for Fiscal Studies, presented the LIS 40th Anniversary Lecture: Connecting Income and Consumption Measurements of Inequality and Poverty: New Ideas and New Empirics.

In his address Richard Blundell explored the past 40 years of income survey data, and using four country examples he focused on economic inequalities over the working life to shed light on some major innovations in data collection and changes to the range of available data over the decades. He discussed innovations in linking data (administrative, registers and household survey panels), and the importance of continuing this effort of building linkages across data on income, wealth and consumption. He also emphasized the exciting new directions and measurement approaches made possible through incorporating consumption data with income and wealth for 3-dimensional measures of inequality and poverty.

LIS granted the Aldi Award for 2022 LIS Working Paper

This year's winners of the LIS Aldi Award are Regina S. Baker and Heather A. O'Connell for the LIS Working Paper No. 836 entitled "Structural Racism, Family Structure, and Black-White Inequality in Poverty: The Differential Impact of the Legacy of Slavery among Single Mother & Married Parent Households". Baker is an Assistant Professor in the Department of Sociology at the University of Pennsylvania, O'Connell is an Assistant Professor of Sociology at Louisiana State University. They presented the winning paper at the LIS 40th Anniversary Conference. The paper was scientifically evaluated by 6 reviewers and it was voted as the best from the qualified LIS and LWS Working papers. Every year, the award is granted to the writer under age 40, whose LIS or LWS Working Paper from the previous year best demonstrates the qualities of good scholarship that Aldi exhibited.

Compare.It – LIS Comparability Tool

LIS is delighted to announce the launch of *Compare.It* – the new LIS Comparability Tool. This tool aims to inform users of country-specific data comparability-related issues in a concise way. *Compare.It* displays which survey series were harmonised in a country in the Luxembourg Income Study (LIS) Database and the Luxembourg Wealth Study (LWS) Database, and clarifies when methodological changes occurred within survey series. Thus *Compare.It* has been designed to enable users to find (1) information about country-level consistency and limitations of the LIS harmonisation efforts, (2) visualisation of inequality measures by the underlying country series and (3) continuously updated comparisons between aggregated micro data and national accounts figures.

You can access the tool from here.

LIS is hiring a Microdata Expert

LIS is seeking applications for a Microdata Expert REF LIS-STATEC position to support the STATEC.

Contract

- 1-year fixed-term contract (replacement maternity / parental leave)
- Part-time (24h a week)

The position involves supporting the National Statistical Office of Luxembourg (STATEC) in the production of the national EU-SILC data. Also, it involves contributing to methodological work using microdata from other STATEC surveys.

Candidate's profile

- The successful candidate will have an MA in statistics, sociology, economics, econometrics, demography, or another social science.
- Familiarity with the EU-SILC data and the commonly agreed EU indicators is a strong asset.
- Extensive experience working with microdata using SAS, STATA or R statistical software, so as attention to detail.
- Command of spoken English is required. Luxembourgish and French are an asset.

For more information about this job posting, please visit this page.

Applicants should submit a cover letter and a Curriculum Vitae to Ms. Lucie Scapoli, search@lisdatacenter.org.

(LIS)²ER Visitors Programme 2023

In March, the (LIS)²ER visitors program kicked off. The objective of this project – organised in the context of the (LIS)²ER initiative, an institutional collaboration between LIS and LISER – is to promote and develop data-driven knowledge about policies to fight inequalities and to deepen our understanding of 'what works' in reducing inequalities. We received an impressive number of excellent submissions. In the course of 2023, the initiative is hosting 9 short-term and 2 long-term visitors.

Brice Magdalou (University of Montpellier) was the first to join us in March to progress with his research "An alternative to Lorenz consistency: No one left behind". Since April, David Coady stays with us, working on the evolution of fiscal redistribution via transfers over the last 3-4 decades. May was a dedicated visitor month with a focus on research on wealth with three visitors: Michele Bavaro (University of Oxford) providing evidence on how relevant the missing wealth distribution is for anti-inequality policies; Sebastian Will (University of Freiburg) researching housing policy and wealth inequalities and Jad Moavad (University of Lausanne) working on changes in wealth and saving inequalities over the last two decades. At the same time, we were happy to have three distinguished speakers in a SEMILUX seminar series on "Inequality, mobility and wealth concentration" (jointly organized with LISER and the University of Luxembourg): Fabian Pfeffer (University of Michigan), Alexandra Killewald (Harvard University) and James E. Foster (George Washington University).

Since the beginning of June Anna Karmann (University of Bielefeld) is with us to study paradox effects of childcare expansion. Moreover, Rosa Mulé (University of Bologna) will join us for two weeks to work on her project with (LIS)²ER Tony Atkinson research fellow, Petra Sauer, "Do different models of capitalism differently affect `within'-gender inequality?

More information on the (LIS)²ER initiative and on the visitors program can be found here.

Upcoming LIS/LISER Seminar on "Drivers of income inequality: what can we learn using microsimulation?"

LIS and LISER are happy to invite you for a hybrid seminar on "Drivers of income inequality: what can we learn using microsimulation?" by Denisa Sologon (LISER), which will be held ONLINE and IN-PERSON on Monday, June 26, 2023 from 15:30-16:30 [Luxembourg Local Time].

This lecture reviews the use of microsimulation in understanding income inequality. The primary added value of microsimulation models is the capacity to simulate counterfactual income distributions. While much of the literature concentrates on the ex-ante simulation of tax and welfare policy reforms and their effect on income distribution, this chapter also discusses the use of simulation techniques to tease out the contribution of different market and policy income sources and personal characteristics. In particular, decomposition techniques combined with microsimulation modelling allow for the interaction effects between these components to be explored in more granular detail; specifically, interactions between markets, population characteristics and market incomes, and the interactions of all of these with tax and welfare. This lecture justifies the use of microsimulation techniques in the study of income inequality, discusses the gradual methodological developments in understanding the nature of inequality via the simulation of "counterfactual" outcomes using microsimulation techniques and the latest developments in the field, including nowcasting distributional changes in times of crisis.

Participation

In person room: MSH (Maison des Sciences Humaines) salle LISER 1st floor.

Virtual: You can join us on Webex meetings by following this link.

Laos Statistical Bureau (LSB) capacity building

LIS joined forces with GOPA consulting on a project aimed at providing support to the LSB team in capacity building development in terms of data management, data analysis, and research within the scope of poverty and inequality measures. The central part of the project consisted in a week-long workshop organised and given by LIS staff (Peter Lanjouw and Heba Omar) within the LSB in Vientiane. The workshop built upon the objectives of the LIS training carried out in December 2020 for the LSB staff, and drew upon the recommendations and ways forward stemmed from that training. One important integral of the project was to work alongside the team of the Laos Expenditure and Consumption Survey (LECS) on revising the LECS-7 questionnaires to better enable the computation of disposable household income with a view to creating an income-based measure of welfare.

GC Wealth Project – website/dashboard launched

On June 6, the Stone Center launched the GC Wealth Project website, the result of a multi-year effort aimed at expanding and consolidating access to the most up-to-date research and information on wealth, wealth inequalities, and wealth transfers and related tax policies — across countries and over time. The project draws heavily on the Luxembourg Wealth Study (LWS) data.

The new website has two main components: a data warehouse of gathered and novel data that can be visualized in a variety of ways through the Interactive Dashboard, and a Digital Library of Research on Wealth Inequality. The data available through the Interactive Dashboard are divided among four sections: Wealth Topography; Wealth Inequality Trends; Estate, Inheritance, and Gift Taxes; and a section on Inheritance Trends that is coming soon. All the data on the site, as well as tailored visualizations that users can create using the interactive dashboard, can be exported. The Digital Library is a comprehensive database that includes abstracts and (when possible) full texts of important, innovative, and high-quality articles, chapters, and books focused on wealth inequality. The library is updated regularly and categorizes the included literature into eight subsections.

Salvatore Morelli directs the GC Wealth Project – he introduces the new website here – and the work has been carried out by a team located at the Stone Center and at Rome Tre University. Please address questions, comments, and other feedback to wealthdata@gc.cuny.edu.

"Inequality by the Numbers" – new videos added

"Inequality by the Numbers" – the Stone Center's annual weeklong summer workshop on inequality research and methods – was set to take place in June 2020, but had to be canceled. That in-person workshop was replaced by a set of 14 lectures recorded on video. In April 2023, the Stone Center recorded and added seven new videos. They cover diverse topics related to inequality – one each on population exposure to climate change, inequality and workplace diversity, and inequality in New York, City, plus two on the institutional roots of health inequalities and two on the racialization of homeownership. All 21 videos are available on the Stone Center site.

The workshop will return in-person in summer 2024.

Affiliated Scholars – new group welcomed

In April 2023, the Stone Center added 12 new Affiliated Scholars; they join the original group of 28. These scholars engage actively with the Stone Center in various ways, including collaborating with core faculty, postdocs, and students, and participating in seminars and events. Many also disseminate their research through the Stone Center website, in the Working Paper Series, Scholar Interviews, Scholars' Blog, and Research Spotlights. The new scholars are: Anna Branch, Anna Stansbury, Daniel Waldenström, Ellora Derenoncourt, Hahrie Han, Jordan Conwell, Juliana Londoño-Vélez, Li Yang, Maximilian Kasy, Regina Baker, Rob Gillezeau, and Suresh Naidu.

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