

ECON2547 • 2019–20

w20/21 lab: *Exploring inequality data*

– *World Inequality Database*

Go to <http://wid.world/>

1. Select 'World View' from the three large buttons on the home page

The menu buttons at the left allow you to toggle the chart view between a variety of datasets.

[try adjusting the timescale band at the bottom, and thus the level of detail the chart shows]

- **World income inequality**

For income inequality, compare the Top 1%, Top 10%, Middle 40% and Bottom 50% views.

A What general patterns are evident?
What specific country or indicator aspects do you notice?

- **World wealth inequality**

As for income inequality, compare the Top 1%, Top 10%, Middle 40% and Bottom 50% views of wealth inequality.

B What general patterns are evident?
What does a negative number imply?
(and for which country and when does this relate?)

2. Go the 'By Country' menu at the top of the page
Select **United Kingdom** [under Recent Updates]

- On the top chart on the page, view Average income (*per adult national income*) and Average wealth (*per adult national wealth*)

C There are several points from the 20th century through to recent years when average wealth falls – why?

- Scroll down to compare to the **Top 10% income inequality chart**, and add Top 10% wealth share to it
- Scroll down to compare to **Top 1% wealth inequality**, and add Top 1% income share to it

D What broad patterns are evident in the UK's income and wealth distribution?
When is the inflection point for the upward trend in income inequality (and what might explain why then?)

3. In a new browser tab, go the 'By Country' menu at the top of the page
Select **USA** (under recent updates)

- Look at the first two charts (***Income inequality, USA, 1970-2014*** and ***Wealth inequality, USA, 1970-2014***)

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What is significant about what the US charts shows?
What differences can one identify about the bottom 50%
when comparing the US and the UK data?

- On the bottom chart, ***Top 10% fiscal income share, USA, 1917-2015***,
⇒ Under ***Average income***, select ***per adult GDP*** – and click OK
- select **More Indicators** from the left hand menu
⇒ Select ***Average & total wealth***
⇒ Select ***Net private wealth*** – click the right arrow
⇒ Select ***Private non-financial assets*** – click the right arrow
⇒ Select ***Private housing assets*** – select the square and then Next and
OK
- Now add ***Private financial assets*** in the same way

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What does this chart tell you about the importance of
particular sources of wealth?
What patterns are evident and what might explain particular
rises or falls in the datasets?

For further research

Check out the wid.world library on the Methodology page (scroll down). You may at some point wish to read the methodology commentary itself as well, in relation to the last lab session and the construction and use of historical datasets. There will be exam questions that relate both to that more general concern and specifically to Piketty's work on inequality.