

United States of America

Real-Time Inequality

The World Inequality Lab now has updated estimates of the national income distribution for the United States, through the year 2021: [click here](#). Inequality in the United States remains at a dramatic level, one of the highest in the world among advanced economies.

In a new World Inequality Lab working paper, Thomas Blanchet, Emmanuel Saez, and Gabriel Zucman construct high-frequency and timely income distributions for the United States.

The authors develop a methodology to combine the information contained in high-frequency public data sources—including monthly household and employment surveys, quarterly censuses of employment and wages, and monthly and quarterly national accounts statistics—in a unified framework.¹ This allows them to estimate economic growth by income groups, race, and gender consistent with quarterly releases of macroeconomic growth, and to track the distributional impacts of government policies during and in the aftermath of recessions in real time. They test and successfully validate the methodology by implementing it retrospectively back to 1976.

Analyzing the Covid-19 pandemic, they find that:

- All income groups recovered their pre-crisis pretax income level within 20 months of the beginning of the recession.
- Although the recovery was primarily driven by jobs rather than wage growth, wages experienced significant gains at the bottom of the distribution, highlighting the equalizing effects of tight labor market.
- After accounting for taxes and cash transfers, real disposable income for the bottom 50% was 20% higher in 2021 than in 2019, but fell in the first half of 2022 as the expansion of the welfare state during the pandemic was rolled back.

All estimates are available at realtimeinequality.org and are updated with each quarterly release of the national accounts, within a few hours.

¹ Note that all estimates on wid.world are annualized. For the years 2020-21, where only monthly estimates exist in the context of this work—as annualized tax microdata has not yet been released through the US Internal Revenue Service—we compute the annual inequality statistics as an average of monthly statistics. While these two concepts are not strictly the same (there is no month or average of months that perfectly aligns with an annual income distribution; e.g., there may be some re-ranking among individuals or households during the course of a year, from one month to the next), we observe no systematic bias in the approximation, which matches well in previous years estimated from annual tax data (see [Piketty-Saez-Zucman 2018](#)).