Sergio Ocampo Diaz <ocamp020@umn.edu>

Fw: RE: paper top tail wealth distribution

1 message

Fatih Guvenen <fatih.guvenen@icloud.com> Tue, Jan 26, 2016 at 5:22 PM
To: Burhan Kuruscu <kuruscu@gmail.com>, Gueorgui Kambourov <g.kambourov@utoronto.ca>, "Sergio Ocampo Diaz (UMN)" <ocamp020@umn.edu>

On January 11, 2016 at 10:14:31 AM, Vermeulen, Philip (philip.vermeulen@ecb.int) wrote:

Dear Fatih,

Please find the data.

The data has 5 columns.

1) Disregard column 1

2) Column 2: 0=Forbes billionaire 1= SCF household

3) Column 3: Net wealth in million euro (all data in euro, to get dollar multiply column 3 by 1.3572, exchange rate I used was on 12 Feb 2010).

4) Column 4: Weight of the SCF household ; each Forbes billionaire has weight of one.

My plot starts at 1 million euro onwards. I send you all data, so you can play around with the starting point and start from 0 euro if you wish. (The best fit seems to be starting from around 3 million euro) . Note that one of the key results of my paper is that if there is this uncorrected differential non-response one should expect that the SCF datapoints are somewhat below the "true" Pareto line (because of the too low weights at the tail of the SCF). This is also the case for the US. (So there is some paradox, although the Pareto should fit well, one should expect some deviation from it in the data because of this systematic differential non-response bias.)

Best Regards,

Philip

From: Fatih Guvenen [mailto:fatih.guvenen@icloud.com]
Sent: 10 January 2016 21:58
To: Vermeulen, Philip
Subject: Re: paper top tail wealth distribution

Dear Philip,

As I may have mentioned at the AEA meetings, I am writing a Phd level textbook and I am planning to devote some space to Power law models which, as you know, are becoming popular among economists. I would like to include a few empirical plots to show how various distributions follow a Power law, and for the US I would like to include a plot of the wealth distribution. I am wondering if you can share the data points in your plot that includes both the SCF data and the Forbes 400 folks. I will plot this using the same format as the other figures for consistency. And of course I will include reference to your paper for more information. Let me know if this is feasible. Thanks in advance.

best,

fatih

On January 8, 2016 at 2:09:42 AM, Vermeulen, Philip (philip.vermeulen@ecb.int) wrote:

> Dear Fatih,
>
> It was a pleasure to have met you in San Francisco. Please find my paper on the top tail of the wealth distribution (forthcoming in Review of Income and Wealth). It contains the Pareto coefficient estimates.
>
> Best Regards,
>
> Philip
>
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