On the Measurement of Wealth:
New Issues and Evidence from WID.world

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- Extension to emerging countries
- Coverage of full distribution, from bottom to top

→ first global inequality study in World Inequality Report 2018

- Extension to wealth inequality (and not only income inequality)

→ unfortunately data sources are more limited on wealth than on income. HFCS = major progress, but not enough. Self-reported wealth data needs to be supplemented with proper administrative/fiscal data. Major measurement and policy issue.
• The WID.world project: more than 100 researchers over the five continents. All the data is entirely open source + transparent to feed public debates.

• This report: first systematic assessment of globalization in terms of inequality. Global top 1% captured twice as much growth as bottom 50% since 1980. Under Business as usual, even with optimistic growth assumptions in the emerging world, global inequality will continue to rise.

• Rising inequality is not inevitable: different types of policies can be implemented to promote equitable growth pathways in the coming decades.
Income inequality varies widely across world regions.

Source: World Inequality Report 2018, Figure 2.1.1. See wir2018.wid.world for data sources and notes.
Income inequality rises almost everywhere, but at different speeds

Source: World Inequality Report 2018, Figure 2.1.1. See wir2018.wid.world for data sources and notes.
Top 10% income shares across the world, 1980-2016

Source: World Inequality Report 2018, Figure 2.1.1. See wir2018.wid.world for data sources and notes.
Total income growth by percentile across all world regions, 1980–2016: Scaled by population

Total income growth by percentile across all world regions, 1980–2016: Scaled by share of growth captured

- Bottom 50% captured 12% of total growth
- Rise of emerging countries
- Squeezed bottom 90% in the US & Western Europe
- Top 1% captured 27% of total growth
- Prosperity of the global 1%

The bottom 50% grew... but the top 1% captured twice more total growth.

Source: World Inequality Report 2018, Figure 2.1.4. See wir2018.wid.world for data sources and notes.
Total income growth by percentile in US-Canada and Western Europe, 1980–2016

Bottom 50% captured 9% of total growth

Top 1% captured 28% of total growth

Source: World Inequality Report 2018, Figure 2.1.2. See wir2018.wid.world for data sources and notes.
Comparison with France: top wealth holders prefer financial/business assets in France.

Asset composition by wealth group in France, 2012

- **Deposits**
- **Financial assets (excl. deposits)**
- **Business assets**
- **Housing (net of debt)**

Share of personal wealth portfolio (%)

Wealth group (percentile)

- €2,530
- €23,800
- €115,000
- €205,000
- €513,000
- €2,447,000
- €16,169,000
Rise in wealth inequality since the 1980s in most countries after a historical decline.

Source: World Inequality Report 2018, Figure 4.2.1. See wir2018.wid.world for data sources and notes.
Countries have become richer, but governments have become poor.