Inequality Matters

LIS Newsletter, Issue No. 5 (March 2018)

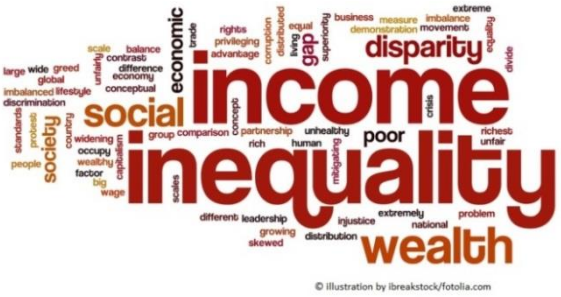
Dear readers,

A year ago, LIS introduced its quarterly *Inequality Matters – LIS Newsletter.* This year, we continue to provide you with inequality research briefs, alongside with LIS & LWS data highlights, LIS micro data releases, and other developments at LIS & the Stone Center at CUNY, home to the US office of LIS. Also, we are happy to announce a strengthened collaboration with the Stone Center in 2018, which enriches the scope and diversity of *Inequality Matters*.

In this issue, the first *Inequality Matters* article by Maurizio Bussolo (World Bank), Daniele Checchi (University of Milan and LIS), and Vito Peragine (University of Bari) takes a closer look at the long term evolution of inequality of opportunity. It is particularly a disaggregation by age and birth cohorts which brings additional insight to the long term evolution of inequality of opportunity. A second cross-national *Inequality Matters* by Laurie C. Maldonado (Stone Center, CUNY) assesses poverty among single parents and the effect of redistribution on reducing poverty - Laurie provides three clear suggestions how the wellbeing of single parents in the U.S. could be improved. Both articles heavily rely on the LIS Database.

This issue's data *Highlights* focus on the long-term real income growth in Germany vs. the United States (Jörg Neugschwender, LIS), the effect of using different equivalence scales on poverty levels and the rank of countries (Heba Omar, LIS). Among our *Highlights* we feature a recently published book by Rense Nieuwenhuis (SOFI, University of Stockholm) and Laurie C. Maldonado (Stone Center, CUNY) – *The triple bind of single-parent families* – which heavily relied on cross-national data analyses using the LIS and LWS data.

In our spring data release, LIS added major micro data additions to the LIS and LWS Databases, for example the most recent data for the U.S. 2016 for LIS and LWS, three new data points for LWS in Germany (2002/2007/2012), and China 2013, and some more.



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Enjoy reading!

Jörg Neugschwender, editor

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Inequality Matters

The long term evolution of inequality of opportunity

Maurizio Bussolo ✉ (World Bank), Daniele Checchi ✉ (University of Milan and LIS) and Vito Peragine ✉ (University of Bari)

The recent empirical literature on Equality of opportunity (EOp) has provided a significant body of cross-country comparative evidence on inequality of opportunity. See Brunori et al. (2015) for a first assessment of the existing evidence and Ferreira and Peragine (2016), Ramos and Van de Gaer (2016) and Roemer and Trannoy (2015) for methodological and conceptual issues related to the measurement of EOp.

A common feature of the existing literature is the static approach: most of the empirical analyses use a snapshot income distribution as the relevant distribution of individual advantages, and is limited to computation of inequality of opportunity in a given point in time for a given country or set of countries.

Much less evidence is available on the evolution over time of the inequality of opportunity, due to data limitations. Even when repeated cross-sections are available for the same country, there are three different ways one can analyse the evolution of inequality of opportunity, which correspond to three different concepts of inequality dynamics: (i) inequality measured across repeated snapshots of the population (repeated cross-sectional analysis); (ii) inequality measured along the life course (longitudinal analysis); (iii) inequality measured across generations (cohort analysis).

While analysis (ii) requires the availability of a rich longitudinal dataset containing information of individual incomes and circumstances over the entire life cycle of the individuals, analyses (i) and (iii) can be potentially carried out by using repeated cross section surveys, hence are much less data demanding. Aaberge et al. (2011) provide a good example for an analysis of long term inequality of opportunity along the lines of concept (ii). And a recent paper (Bussolo et al. 2018), which is the basis for this brief, focuses on analyses (i) and (iii). In addition to a description of the evolution of inequality of opportunity, this paper exploits the time variation of EOp to study its main determinants. By doing so, we move the research on EOp a step forward by proposing and testing a (simple) empirical model that accounts for the contributions of these determinants to the change over time of the inequality of opportunity (for the technical details please see Bussolo et al. (2018)).

The definition of inequality of opportunity is provided by the distinction, among the factors influencing the individual achievements, between individual efforts and pre-determined circumstances – defined as those which lie outside the realm of individual responsibility. The EOp approach considers that inequality due to the former is not ethically offensive, whereas it suggests that differences in individual outcome due to the latter represent a violation of the principle of equality of opportunity and should thus be remedied. The decomposition analysis indicates that, other things constant, EOp increases when:

- there is a reduction in the intergenerational persistence of education.
- there is a reduction in the (private) return to education.
- there is a reduction in the effect of family network in the labour market.
- there is an increase in the variance and covariance of the non-observable components.
- there is a reduction in the variance of the educational attainment of the previous generation.

Inequality of opportunity can trend downward if the channels of intergenerational persistence become less important. As it is intuitive, if the educational investment becomes irrelevant (because education yields insignificant returns in the labour market), then parents become unable to transmit privileges to the off-spring, and inequality declines as a consequence. Similarly, if parents are unable to actively networking on behalf of their children, the disadvantage due to circumstances will decline.

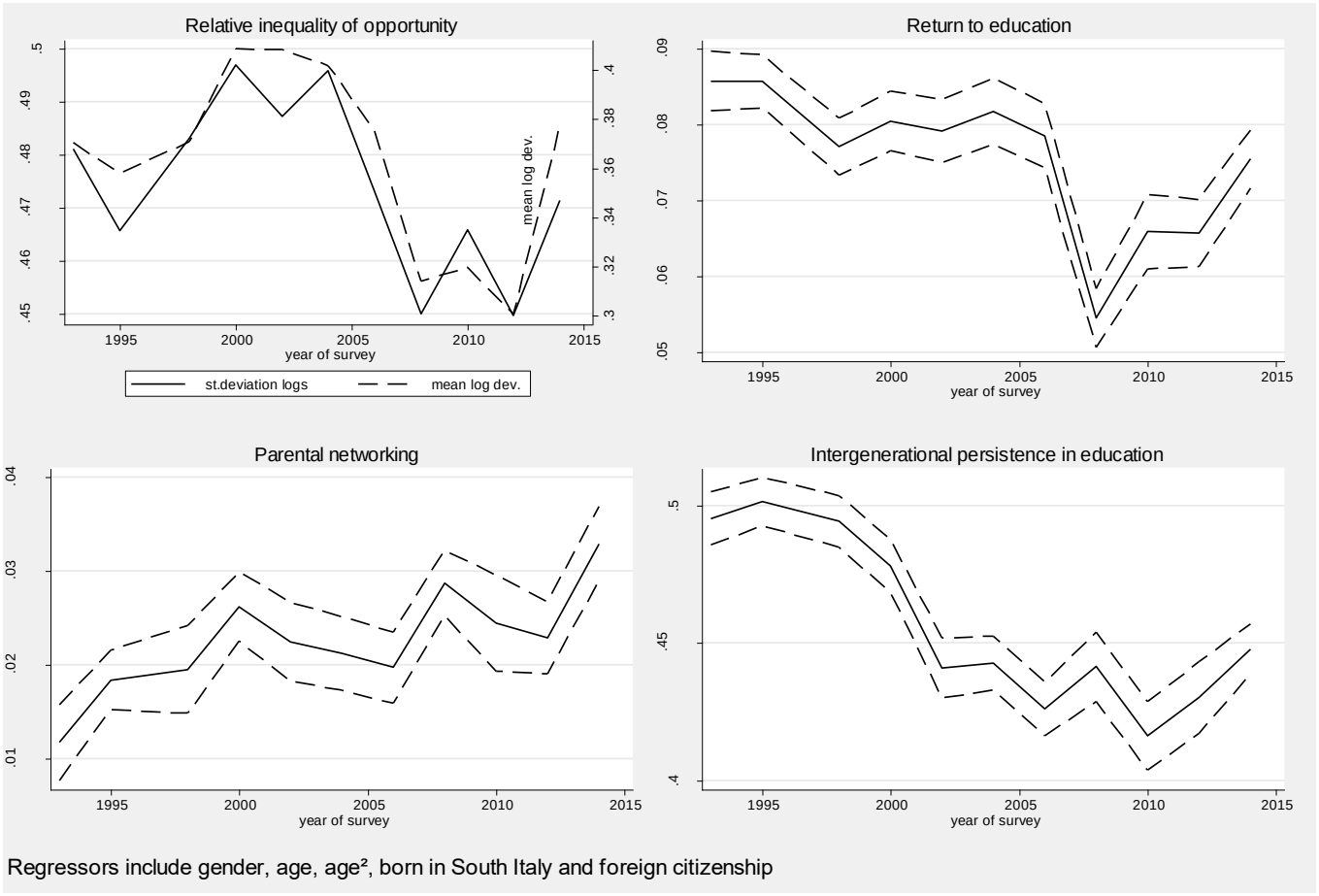
The LIS Cross-National Data Center in Luxembourg is the main data source for our analysis, which covers four countries (Italy, Germany, France and Switzerland), while the data for fifth country United Kingdom was obtained from accessing the original provider.

Our selection rules include individuals aged 25-80 with a positive personal disposable income, harmonised across the surveys within and between countries. Wages, self-employment income, and pensions which were available in all surveys at the individual level were considered as genuine individual incomes. Other less clearly person-related income sources were reallocated equally to both the head and the spouse to maintain consistency over time, as collection varied across the surveys and countries. Incomes are converted to constant prices using the national consumer price index. Parental education is typically a categorical variable recording the highest educational attainment in the parental couple. In order to estimate a unique coefficient associated to the intergenerational transmission of education, we have converted them into years of education.

Using these data, we have estimated total inequality, absolute inequality of opportunity (namely inequality computed over incomes predicted according to circumstances) and relative inequality of opportunity, first on the country-survey level and then further disaggregated by age and birth cohort. For the latter we have partitioned birth years and ages in 5-year intervals and we have retained only cells gathering at least 400 individuals. In order to summarise the information contained in each of the cells, we followed Deaton (1997) and regressed the obtained measures onto age, cohort and survey dummies, and then plotted the results using a smoothing procedure (LOWESS command in Stata).

This brief focuses on the results for Italy, results for the other countries are available in Bussolo et al. (2018). Figures 1 and 2 for the Italian data highlight the following. Starting with relative IOp, the analysis by survey shows a clear reduction in relative IOp at the beginning of the 2000's and then an upward trend starting from the beginning of the 2010. In sum, a rather constant time trend: the value of relative IOp (namely the share of inequality attributable to circumstances) is the same at the start and at the end of the period, also confirmed by the mean log deviation (MLD). As for the magnitude, it varies between 45% and 50% according to the standard deviation of logs and between 30% and 40% according to MLD (see Figure 1).

Figure 1 – Italy, by survey



Regressors include gender, age, age², born in South Italy and foreign citizenship

The intergenerational persistence of education shows a clear declining trend, with some signs of a reversal in recent years. The reduction can be linked to the expansion of education that took place in Italy following the compulsory education reform at the beginning of the 60's. In connection to the increasing supply of education, the returns to education, at least until the late 2000s, have also been trending downwards. Given these trends, the question becomes of why the inequality of opportunity in income has not also been declining. The answer is that the increasing trend of parental networking has been a counterbalancing force.

This answer is largely confirmed when looking at both the age and the cohort analyses, which also shows some additional interesting facts (see Figure 2).

Cohorts born more recently vis-à-vis cohorts born in the past, irrespective of at what age one looks at them, are characterized by a lower return to education and a lower intergenerational persistence of education, but also by a higher level of parental networking. In sum younger cohorts experience a slightly lower, but by not much, inequality of opportunity than older cohorts, but for different reasons.In addition, one can see – for all cohorts – an inverted U shape for the age effect of the inequality of opportunity in incomes. This means that inequality of opportunity tends to be low for younger individuals, then it increases, and finally towards the latter part of the life cycle, circumstances becomes less important and inequality of opportunity for incomes amongst older individuals is lower.

Inequality of opportunity – what we have learned

By replicating this decomposition for all the countries in our sample, it is possible to highlight the following stylised facts:

i) In all the countries and the period considered, inequality of opportunity represents an important portion of total income inequality, with values ranging from 30% to 50% when inequality is measured by standard deviation of logs (and reaching a lower share in case of adopting the mean log deviation).

ii) In general, inequality of opportunity shows a stable or declining pattern over the period considered in all countries.

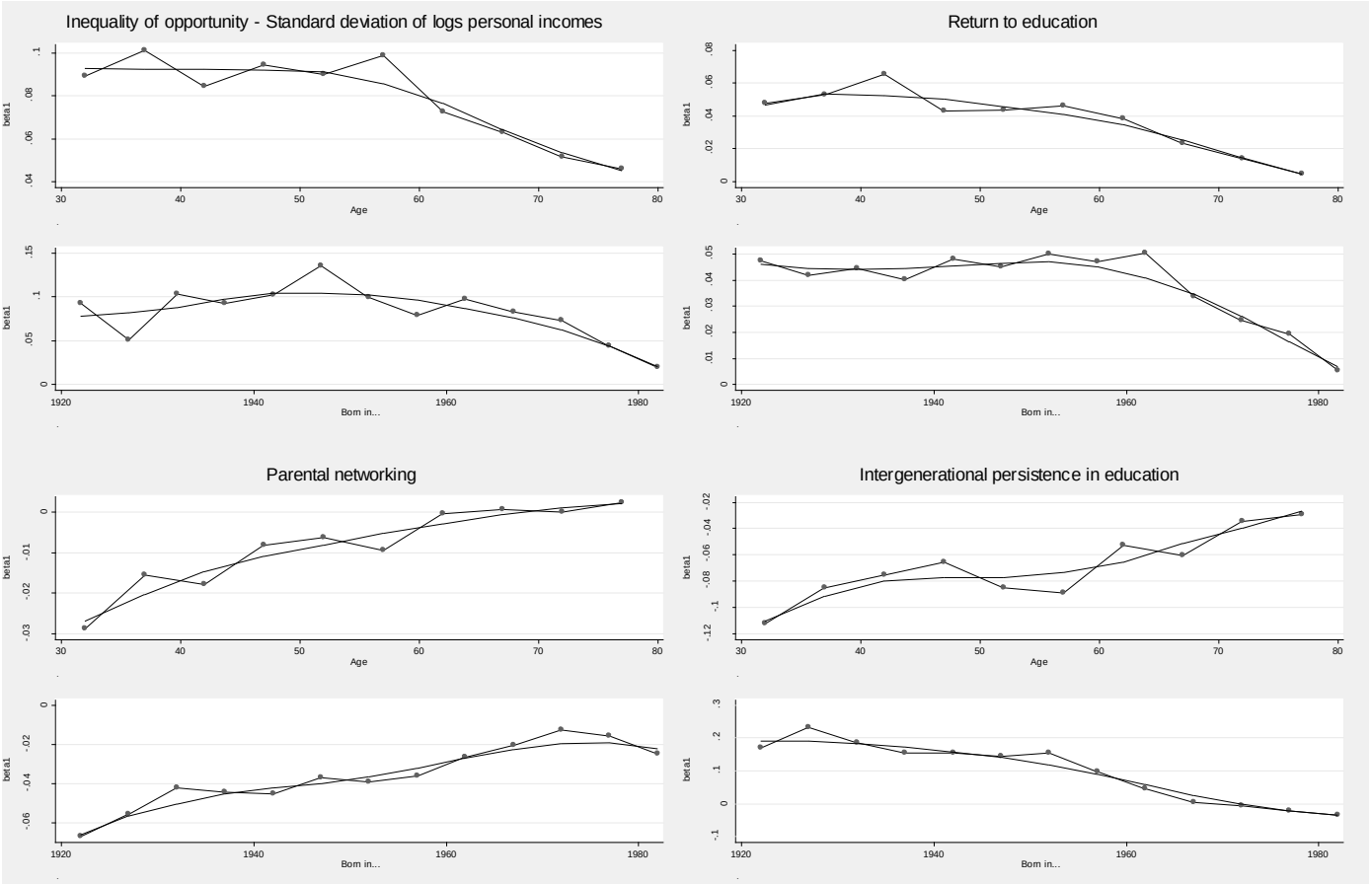
iii) On the other hand, in all countries considered, there has been a clear enhancement of equality of educational opportunities (as captured by the reduction of intergenerational education persistence).

iv) In some countries the egalitarian process taking place in the education system and the reduced skill-premium in earnings has failed to translate into decreasing opportunity inequality in the space of income because of the increasing role of parental networking. This mechanism seems to be at work notably in Italy.

v) In some other countries (France, Germany and Great Britain), where both returns to education and the family networking followed a more constant pattern, inequality of opportunity seems to decrease both in the education and in the income sphere.

Decomposing of inequality of opportunity trends according to the age and cohort effects, allows to identify the following additional facts:

Figure 2 – Italy, age-cohort decomposition



Regressors include gender, age, age², born in South Italy and foreign citizenship - Age and cohort effects obtained from Deaton's decomposition

vi) In all countries considered, inequality of opportunity decreases with age: the effect of circumstances at birth seem to weaken over the life cycle. This pattern marks a difference of inequality of opportunity with respect to what is generally found for income or consumption inequalities, which generally follow an increasing path.

vii) The decreasing pattern of relative inequality of opportunity in France and Italy is associated with a consistent declining trend in the return to education and a clear increasing trend in both intergenerational persistence and parental networking. Great Britain shows an increase in the intergenerational education persistence, while Germany is characterised by a stable trend of intergenerational education persistence.

viii) The cohort analysis, on the other hand, shows a more mixed picture: while for Great Britain and Germany the data show a declining path in the values of inequality of opportunity, with younger generation experiencing a lower IOp levels, both Italy and France are characterised by an inverted U-shape pattern.

ix) These trends are associated, in Germany and Great Britain, with a stable or weakly increasing trend of the intergenerational educational persistence, while in Italy and France with a clear declining trend in the intergenerational persistence of education, which is explained by the expansion in education level that has taken place during the last decades.

[1] *This brief is based on LIS Working Paper 730, Bussolo et al. (2018) – the working paper serves as background paper for the World Bank Regional Report on "Distributional tensions and the sustainability of the social contract in Europe and Central Asia".*

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Doing better for single-parent families, the US compared to 45 countries

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The debate as to whether single-parent families are the cause or consequence of poverty and inequality is widespread. In the United States, it is often a topic of conversation and heated debate at the dinner table. Jason DeParle (2012) wrote in the New York Times an article titled "Two Classes in America, Divided by 'I Do'" suggesting that above else, the cause of poverty is the result of women's poor choices of selecting a partner. That inequality between single-and coupled-parent families has much to do with the individual choices of single parents. In response, Bryce Covert (2013) wrote in Forbes magazine an article titled "Bad Relationships Don't Stand in Poor Women's Way. Bad Policies Do". Covert argued, "The problem isn't who single mothers decide to date. It's the way the US government fails to support them". She argued for the US to learn from other countries and how their social policies support single-parent families. Recently (2018), David Brady, Ryan Finnigan, and Sabine Hübgen, wrote an op-ed in the New York Times titled "Single mothers are not the problem". Their article also supports this position. Their study, used the Luxembourg Income Study (LIS) data, finds that the prevalence of single mothers has little to do with poverty and more to do with a lack of generous policies. Generous policies, like in Denmark, address penalties and consequently these countries have much lower poverty rates.

This brief also uses the LIS data to examine single-parent families and policies that reduce poverty across countries. It's part of my dissertation titled "Doing Better for Single-Parent Families, Poverty and Policy in 45 Countries" (Maldonado, 2017; please refer to this monograph for more details, methods, and rationale). This short piece will: 1) describe poverty rates of single-parent families across countries and over time, 2) analyze the impact of taxes and transfers on reducing poverty, 3) summarize the findings of socio-demographic characteristics and parental leave policy on reducing poverty in a multi-level model, and 4) provide suggestions for how the US can do better for single-parent families.

Descriptive results

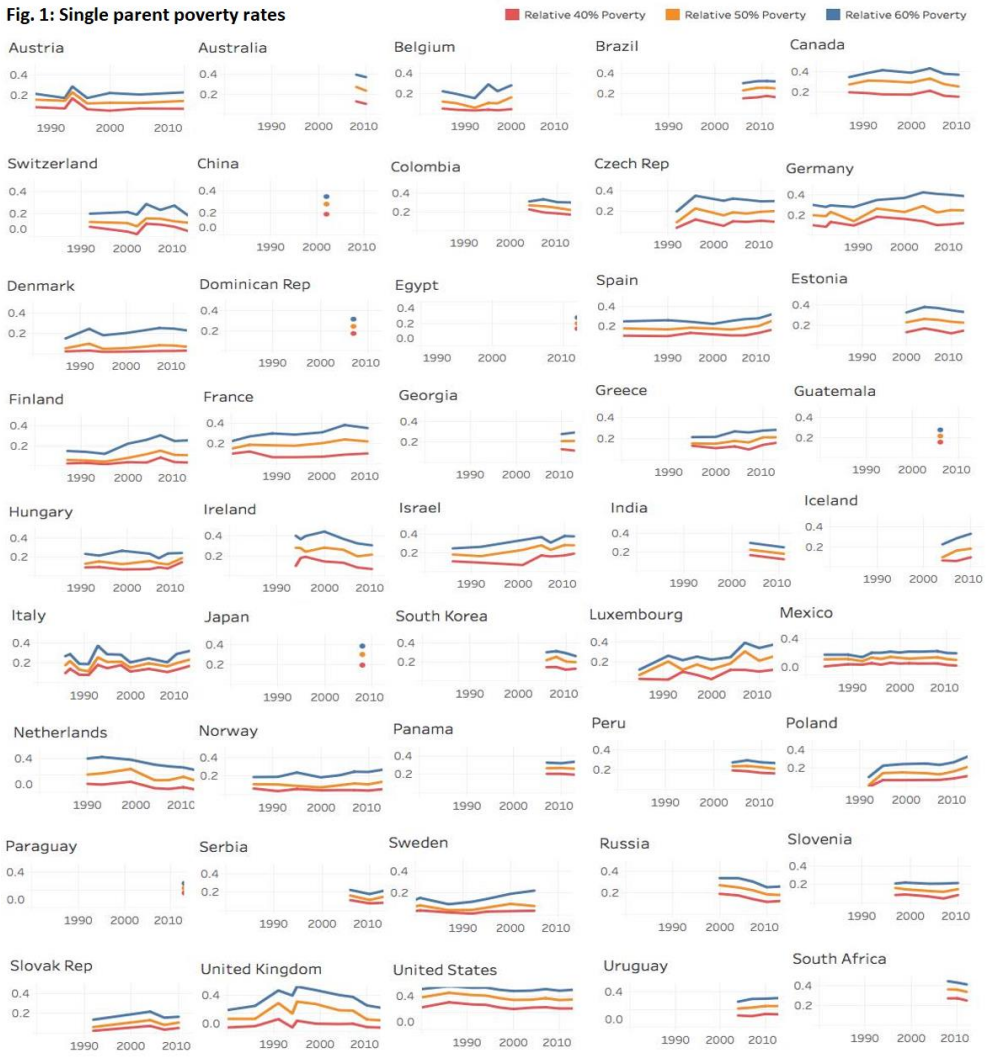
In 45 countries, about 1 in 5 families are single-parent families. Single-parent households are defined as having one adult living with his/her child(ren) under the age of 18. Other adults can reside in the same household, such as grandparents, but not partners. Prevalence of single-parent families has been increasing over time for the majority of countries. The majority of single parents are mothers and many are working. Even in countries with lower overall employment rates, the average employment rate for single parents is still high at 66 percent. Even though the majority of single parents are employed–because they have no other choice but to work– their families remain at great risk for poverty.

The United States has the highest percentage, 36 percent, of single-parent families in poverty of all countries. More than 1 in 3 single-parent families is poor in the US. Not only does the US stand out as the "Worst-Off" for single parents in high-income countries (Casey and Maldonado, 2012) but it deserves this same deployable title among many middle-income countries as well; including South Africa, China, Panama, and Brazil. At the 50 percent threshold, the US along with South Africa, Japan, Canada, Germany, Israel, Luxembourg, Spain, China, Panama, and Brazil– have poverty rates above 25 percent. Denmark, on the other hand, has much lower poverty rates, 7 percent of single-parent families were poor.

Approximately 1 in 4 single parents and their children, 25 percent, experience deep poverty in both US and South Africa. The American story is told in Edin and Shaefer's (2016) $2.00 a Day Living on Almost Nothing in America. The rise of deep poverty and material deprivation have put families in dire consequences without adequate support from a social safety net.

The trends show that poverty is increasing in some countries while decreasing in others. For example, poverty is increasing in Finland and Iceland which are Nordic countries with typically have lower

Fig. 1: Single parent poverty rates



Source: Luxembourg Income Study (LIS) Database

poverty rates but here the rates for single parent poverty have been increasing in recent years. Ireland and the UK have drastically reduced their poverty rates over time. The Netherlands also shows a notable trend in decreasing poverty over time, especially declines at the 60 percent threshold, near-poverty.

Pre-and Post-taxes and transfers

Before all taxes and transfers are accounted for, the US poverty rate is quite similar to countries like Denmark and Sweden. But after all taxes and transfers are accounted for, these countries effectively redistribute income and the US is left behind with persistently high poverty rates. Whereas the United States only reduced poverty from 58% to 36%, for a total of 22 percentage points, it remains the highest percentage of single parent in poverty of all countries. Denmark reduced poverty from 50% to 7%, a total of 43 percentage points. UK and Ireland have significantly reduced poverty by 57 and 52 percentage points, respectively.

An important insight: all 45 countries redistribute income to reduce poverty. Most countries redistribute income to cut their poverty rates by half or more. Even countries that are traditionally known for less redistribution in general, for instance South Korea, still redistribute income to single-parent families. Redistribution through taxes and transfers is very effective in reducing poverty for single-parent families in all countries.

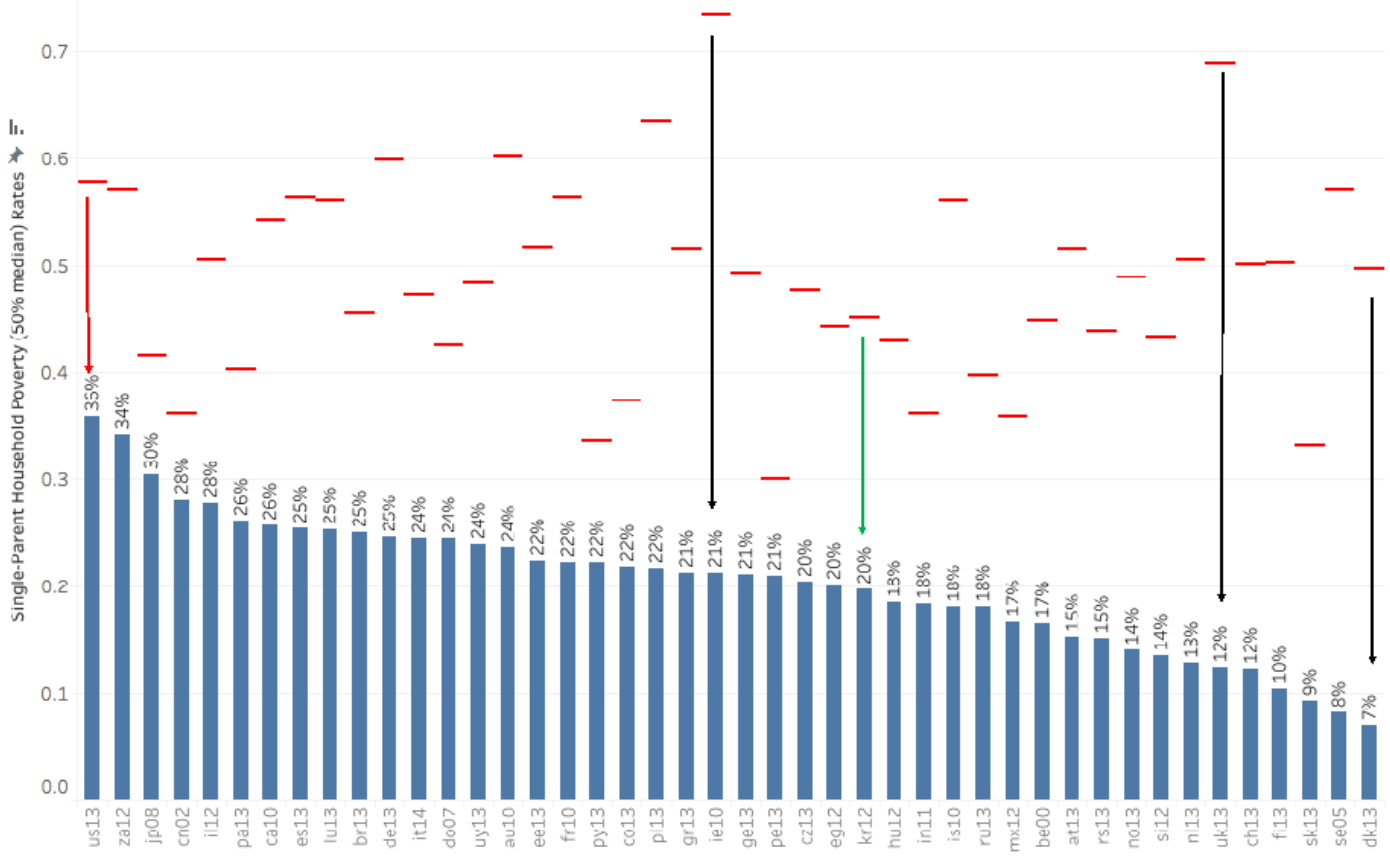
Not only is redistribution effective, family transfers are particularly important for single-parent families. Ireland and the UK are effective in redistributing income to single-parent families, they do so by way of family transfers. Some of these countries have lower poverty rates to begin with, but still effectively use family transfers to reduce poverty by more than half.

Multi-level policy results

The multi-level analyses examined 373,032 households with children in 45 countries with most recent data sets, using household-level data from the LIS and country-level policy indicators from The WORLD Policy Analysis Center. The sample included single-parent households and coupled-parent households. The dependent variable was poverty at 50 percent of the median equivalized disposable household income.

The multilevel analyses accounted for demographics, employment, and policy (leave for moms and leave for both parents). Socio-demographic characteristics contribute to poverty risk. Single parents have a much higher poverty risk as compared to coupled parents. Heads of the household who are older and have higher level of education have resources that protect their families from poverty risk. Families that have one or more children under the age of 5 have greater poverty risk, and even greater risk if the number of young children is increased. However, when demographic factors were controlled for in the model, the country institutional effects were more consequential determinants of poverty. Employment significantly reduced poverty. Paid maternity leave significantly reduced poverty for single-parent families only. This is an important finding as it expands some joint work (Maldonado and Nieuwenhuis, 2015) that found paid leave to reduce poverty for single-parent families in 18 countries to 45 countries. This model did not find evidence to support the findings of the previous study, where maternity leave had a significant poverty reducing effect for all families. Leave for fathers that is “too long” or “dad bonuses” do benefit coupled parents over single parents.

Fig. 2: Single parent poverty rates for market income and disposable household income



Source: Luxembourg Income Study (LIS) Database

Lessons for the US

The United States is clearly lagging behind countries in terms of policies that support single parents and their families. The US has inadequate or missing policy in several areas that are consequential to reducing single parent poverty– low income transfers, no child benefit, no paid maternity leave, no paid leave for both parents, no paid sick leave for children, and limited working time regulations.

Certainly, lessons from the *Triple Bind of Single-Parent Families*, a recently edited book by Nieuwenhuis and Maldonado (2018), apply to the US. The idea to reduce gender inequality and reduce class inequality are effective strategies to support the wellbeing of single-parent families.

For the US, from Doing Better for Single-Parent Families, here are 3 policy recommendations:

1) Federal paid leave policy for both parents

Of 45 countries, only the United States lacks paid maternity leave. The US is one of the wealthiest countries in the world and that it does not have a national paid leave policy for mothers to care for their newborns is a concern of global proportions. There are many countries that have long leave (UK and Ireland), others have medium length (Colombia and South Africa) and a few with less than 14 weeks of leave (Egypt and India). Also "dad" bonuses have become a popular policy to incentivize fathers to be involved in the caregiving of their children. The US is among the few countries (including China, Peru, India, Switzerland) that offers no paid leave for fathers. Gender, involved fathers and support for shared parenting matter to single-parent families.

If the US implements a paid leave policy at the national level, this would benefit all families, single-parent families would benefit even more. However, the policy must be designed in a way that supports gender equality. Paid maternity leave is best when it is not too long and when it is combined with leave for both parents.

2) Employment context matters a great deal to reduce poverty for all families

Strategies to increase adequate employment with decent wages and supports are essential. Many single parents in the US are the working poor and in jobs characterized by low pay and limited employment protections. Raising the minimum wage, improving working regulations, and other investment strategies are helpful. Stimulate employment through education, training, and child care. However, employment alone is simply not enough to reduce poverty. Countries need both redistribution and employment to reduce poverty for vulnerable populations.

3) Redistribution

The United States through the Temporary Assistance for Needy Families (TANF), and Earned Income Tax Credit (EITC), child support, and child tax credits does reduce poverty by a total of 9 percentage points. However, the US has high poverty to begin with and the amount of (redistribution) family transfers are inadequate to substantially reduce poverty. Many countries have child benefit policy at the national level, providing a monthly amount to families to offset the cost of raising a child. The US is among the few countries that does not have a child benefit. Although the US does provide child tax credits, many of these countries provide child tax credits in addition to the child benefit.

In conclusion, the problem is not single parents, it has more to do with inadequate policies in the US. The research and data point to effective strategies to reduce poverty for single-parent families. The next step is to take action to do better for single parents and their children.

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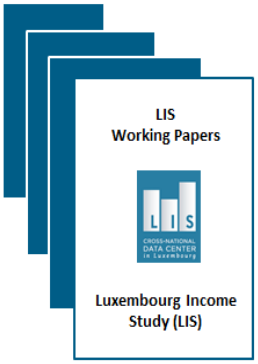


Focus on 'Inequality in an Equal Society'- LWS WP No. 26

by Laura A. Harvey ✉ (PhD Student, Department of Economics, University of Leicester) , Jochen O. Mierau ✉ (Associate Professor, Faculty of Economics and Business, University of Groningen), and James Rockey ✉ (Associate Professor, Department of Economics, University of Leicester)

Even a society in which everybody is the same at the same stage of the life-cycle will exhibit a substantial degree of income and wealth inequality. In this paper we take this notion to the data in order to quantify the share of observed income and wealth inequality that is attributable to life-cycle profiles of income and wealth. The data reveals that natural inequality, the inequality solely due to life-cycle effects, is a substantial component of actual inequality. Treating the natural rate as the benchmark, analysing excess or adjusted inequality suggests that recent increases in income inequality in the US are both larger than the actual rate would suggest, and represent a distinct change from the period 1960-1980. It is also clear that natural inequality is of first-order importance in understanding variation in other developed countries and the variation between them. A similar analysis for wealth inequality suggests that natural inequality is a less important determinant than it is for income, and a much smaller component of actual wealth inequality. It similarly explains less of the cross country variation.

We explore the effect of demographics on inequality by investigating the distortion in the demographic pyramid created by the Baby Boom Generation. We find that as cohort shares transition back into their long-run equilibrium levels, natural rate inequality of income will fluctuate and reach a new higher steady state level. In this regard we show that an additional factor contributing to any future rise in income and wealth inequality is that comparatively high levels of natural inequality are forecast to remain, and indeed increase, from their historically high level. Given the current rapid increases in excess inequality in the US and elsewhere this suggests that, other things equal, actual inequality should be expected to rise substantially over the next 20 years.

Data News

Data releases

Luxembourg Income Study (LIS)

Germany

Eight new datasets from Germany (DE15, DE11, DE06, DE01, DE98, DE95, DE91 and DE87) have been added to the LIS Database. The datasets are based on the German Socio-Economic Panel (GSOEP) carried out by the German Institute for Economic Research (DIW).

China

One new dataset from China, CN13 (Wave IX) has been added to the LIS Database. The dataset is based on the China Household Income Survey (CHIP) carried out by the Chinese Institute for Income Distribution (CIID) with assistance from the National Bureau of Statistics (NBS)

United States

One new dataset from the United States, US16 (Wave X) has been added to the LIS Database. The dataset is based on the Annual Social and Economic (ASEC) Supplement of the Current Population Survey (CPS), carried out by U.S. Census Bureau and the Bureau of Labor Statistics (BLS).

Paraguay

Four new datasets from Paraguay, PY16 (Wave X), PY07 (Wave VII), PY04 (Wave VI) and PY00 (Wave V), have been added to the LIS Database. The datasets are based on the Continuous Household Survey (EPH) carried out by the Directorate-General of Statistics, Surveys and the Census (DGEEC).

Taiwan

One new dataset from Taiwan, TW16 (Wave X) has been added to the LIS Database. The dataset is based on the Survey of Family Income and Expenditure, Taiwan Area, carried out by the Directorate-General of Budget, Accounting and Statistics (DGBAS).

Luxembourg Wealth Study (LWS)

Germany

Three new datasets from Germany, DE02 (Wave V), DE07 (Wave VII) and DE12 (Wave IX) have been added to the LWS Database. The datasets are based on the wealth module included in the 2002 (19/S), 2007 (24/X) and 2012 (29/BC) waves of the German Socio-Economic Panel (GSOEP) carried out by the German Institute for Economic Research (DIW).

United States

One new dataset from the United States, US16 (Wave X) has been added to the LWS Database. The dataset is based on the 2016 wave of the Survey of Consumer Finances (SCF), carried out by Board of Governors of the Federal Reserve System.

Data revisions

Luxembourg Income Study (LIS)

Germany - all LIS data points have been updated to be in line with the latest data release by the German Institute for Economic Research (DIW).

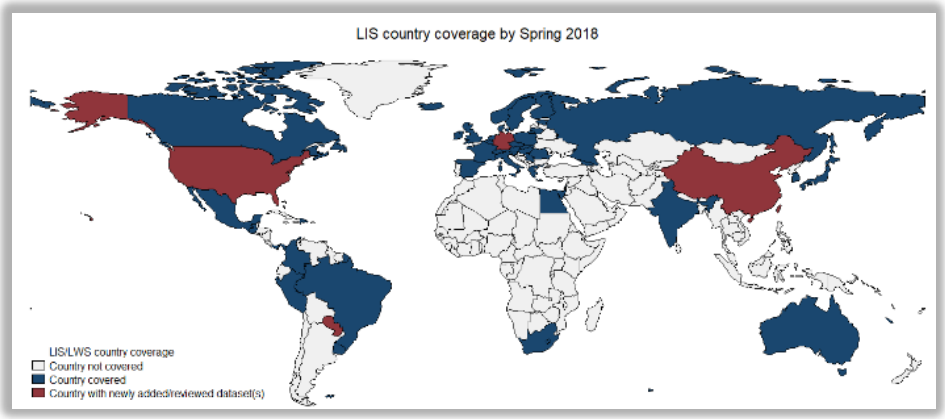
China - CN02: updating the weight, correcting an error in the individual labour income, variables are more consistent across the three subsamples.

Paraguay - PY13 and PY10

Taiwan - TW13, TW10 and TW07

LIS/LWS Data Release Schedule

	Summer 2018	Fall 2018	Winter 2018
LIS Database			
Australia	AU04/14		
Chile	CL15/13/11/09 /06/03/00/98/ 96/94/92/90		
Hungary	HU15		
Iceland		IS13	
Israel	IL14/16		
Italy		IT02/06/12/16	
Poland			PL16
Russia		RU16	
Serbia		RS16	
South Africa	ZA15		
LWS Database			
Australia	AU04/14		
Italy		IT02/06/12/16	
Spain		ES09/11/14	
South Africa	ZA15		
United Kingdom			UK13/15



Highlights

Long-term trends in real income growth and inequality in Germany and the United States

Jörg Neugschwender ✉ , LIS

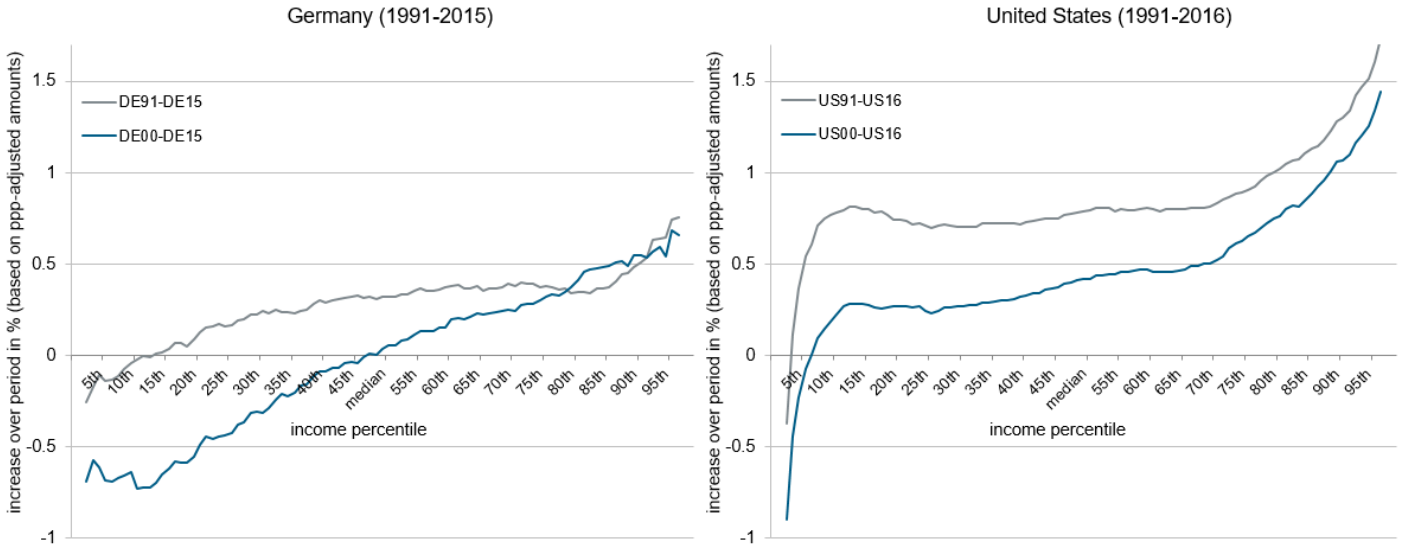
A recent report on wage inequality in Germany by Grabka and Schröder (2018) emphasised on the long-term development of real hourly wages and annual wages. The authors argue that despite of the positive developments on the labour market, accompanied by increasing force participation rates and low unemployment, real hourly gross wages have hardly increased. On the contrary, the strong increases in employment in the low-wage sector led to a substantial drop in real hourly wages in the first decile far below the level of the early 1990s. Only in recent years, measures to reduce dependency on social transfers, while being employed, seem to have caused a turning point to substantially increase real hourly wages between 2013 and 2015. The picture was even more critical for real annual earnings, where wage dispersion massively grew throughout the period 1991 to 2015. Real wages for the first two deciles dropped to 60 % as compared to the 1991 situation, the middle deciles remained at around the same level, and wages in the top decile increased to 120 % (Grabka and Schröder, 2018).

This article aims to shed further light on in how far these fairly strong increases in inequality among dependent workers can be analogously concluded for inequality among the total society. In order to do so, the analyses are extended in two ways. First, all observations were kept in the sample, hence, real income growth and inequality was estimated for the total society. And second, the German situation is compared against long-term income growth and inequality trends in the United States to put into perspective the magnitude of inequality evolution. The underlying data use two of the longest data series in the LIS Database. For Germany, I selected the same data DE91-DE15 as Grabka and Schröder (2018) from the GSOEP v33 release by DIW (updated in March 2018 for all years available in LIS, in line with this latest version v33). For the United States, I used the LIS datasets from the CPS – ASEC data, restricting the analyses likewise to US91-US16.

Figure 1 presents a comprehensive view on income growth among the total society. The calculated numbers are commonly referred to as *Growth Incidence Curve* (GIC) (for example by the *LAC Equity Lab* by the World Bank), which capture annualised growth rates for each percentile of the income distribution between two points in time. The presented numbers here refer to *equivalised disposable household income* (DHI), which divides DHI by the square root of household members in order to account for *economies of scale* in the household. The annualised growth rates refer to real incomes after adjusting for inflation and ppp-conversion to 2011 international dollars. Two calculations are contrasted against each other, the long-term trend from 1991 to 2015/16 and the more recent trend from 2000 to 2015/16.

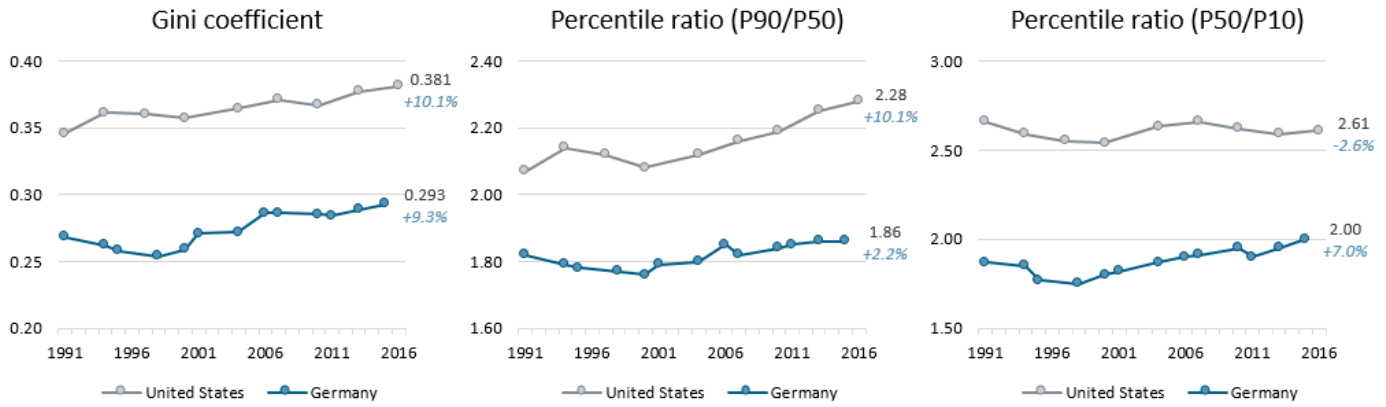
First of all, Figure 1 shows that annualised real income growth has not been substantial throughout the period from 1991-2015/16 in both countries, particularly, when looking at the more recent period from 2000 to 2015/16, growth remained far below the growth rates over the longer period. Median income in the United States grew by 0.79 % p. a. from 1991 to 2016 and by 0.42 % p. a. from 2000 to 2016, whereas in Germany median income grew much less from 1991 to 2015 (0.32 % p. a.), and showed almost no increase at all from 2000 to 2015 (0.03 % p. a.). It is worth mentioning that strong increases in real income growth in the latest years heavily moved the curve US00-US16 upwards; when looking at the curve US00-US13, the curve showed negative growth even up the 60th percentile, data available upon request.

Figure 1: Annualised growth incidence curves based on equivalised disposable household income



Source: Luxembourg Income Study (LIS) Database

Figure 2: Inequality measures United States vs. Germany - based on equivalised disposable household income



Source: Luxembourg Income Study (LIS) Database

When looking specifically at the negative growth rates, a remarkable difference between the countries could be observed. As nicely illustrated by a recent article by Leonhardt (2017) in *the New York times*, negative income growth has shifted strongly to be concentrated among the poorest poor of the income distribution. The lowest income deciles in the United States have seen the highest income growth rates in the 1980s and 1990s (in Figure 1 still mirrored by the peak at the 14th income percentile over the period 1991 to 2016), but since the 2000s, income growth turned to be lowest among the low income group as compared to the higher income groups. In Germany, real income growth for the low income deciles has already been low in the 1990s. Given the findings by Grabka and Schröder, who found sharp decreases of real annualised earnings for a large part of the wage earners, this is not surprising as such. However, remarkable is the magnitude of negative real income growth for almost half of the population from 2000 to 2015. Besides limited growth in real wages, data analyses on German retirees suggest that real income growth might be additionally hampered due to no longer increasing pension incomes for younger pensioner cohorts as a result of major cuts in the pension system in the 1990s (Neugschwender, 2016).

When looking at the upper end of the income distribution, it becomes apparent that the highest income percentiles have seen the highest increases. However, the shape of the curves is notably different. In Germany, although the highest percentiles have seen the highest increases, the slope is rather low and linearly increasing by income percentile, whereas in the United States, starting from the 70th percentile, the growth curve reveals an exponential shape, thus highly increasing inequalities among the three upper income deciles.

Figure 2 puts in context the rather concerning numbers for Germany. On all three inequality indicators, Gini coefficient and percentile ratios p90/p10 and p50/p10, the United States indicates substantially higher levels of inequality. In the United States, the thresholds at the lowest decile (p10) and the highest decile (p90) are much further away from the median equivalised DHI. With an increase of 10.1% from 1991 to 2016 it is particularly the percentile ratio p90/p10 which strongly grew in the United States, the meagre increase of 2.2 % in Germany from 1991 to 2015 seems almost negligible with respect to this. On the other hand, for the same period, in Germany a rather solid increase of 7 % for the percentile ratio p50/p10 could be observed. Keeping in mind that this increase is associated with a negative growth of real incomes, it is particularly alarming. But also the unchanged magnitude of 2.6 times higher median equivalised DHI than the p10 in the United States might remain a cause for concern with respect to a highly unequal society.

In conclusion, possible policy actions to smoothen inequality increasing trends seem rather obvious. On the one hand, there could be better policies fostering social inclusion, e.g. via minimum wage legislation, but also via accessible social assistance benefits, accompanied with reasonably high amounts preventing poverty. Additional active labour market measures might ease labour market entry and guide persons through periods of job transition. On the other hand, higher taxation for the high income earners and property income could limit income growth for the high income group.

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Equivalence scales and child poverty: A closer look at different family types across developed countries

Heba Omar ✉ , LIS

According to a forthcoming background paper (Nieuwenhuis et al., 2018)[1], it has been evident that families with children are at higher risk of poverty than families without children across developed and developing countries, this is attributed to the costs associated with raising children and fulfilling their needs. A further decomposition of families reveals that single parent households have higher poverty rates and also at greater risk of poverty than coupled households. Single parent households are faced with many challenges, for example being disadvantaged in the labour market which results in limited financial resources (Nieuwenhuis & Maldonado, 2018). For example, in Canada and Unites States, over 50% of female headed families with young children are living in poverty (Nieuwenhuis et al., 2018)). However, in the process of estimating poverty measures, lots of methodological decisions are taken, including choosing the poverty line (relative, absolute), unit of analysis (individual, household) and the choice of the equivalence scale. Consequently, the focus of this article is not only to investigate- for a selected number of developed countries circa 2013- how child poverty levels differ in single parent households compared to coupled households, but also to further explore the effect of using different equivalence scales both on the level of poverty and the rank of countries.

Due to *economics of scale* in consumption, the need of a household does not increase linearly with each additional member. Therefore, equivalence scales have been developed to realize this adjustment. In this article, three of the most commonly used equivalence scales will be examined; namely: LIS scale = the square root of the number of persons in the household; OECD modified scale = 1 (for the household head) + 0.5 * number of other adult members + 0.3 * number of children below 14; and the OECD original (old) scale = 1 (for the first adult household member) + 0.7 * number of other adult members + 0.5 * number of children below 14. The difference between these equivalence scales, can also be expressed in terms of equivalence elasticity (ε) as the power by which economic needs to change with household size, the equivalence elasticity varies from 0 (full economics of scales, no adjustment for household income) to 1 (no economics of scales, per capita approach).

$$equivalised\ household\ income = \frac{Disposable\ household\ income}{\#of\ HH\ members^{\varepsilon}}$$

In this article, poverty among children is measured on the household level where a household is considered poor if its annual equivalised disposable income is less than 50% of the median of the national annual equivalised disposable household income (DHI), the household weight is adjusted by the number of children less than 18 years old in the household.[2] Accordingly, to address the article questions, child poverty rate will be measured using the 3 scales for 18 selected developed countries covering (Anglo-Saxon countries, Continental Europe, Nordic Countries, Mediterranean Countries) circa 2013 from the LIS database. Family types are categorized into 5 groups (Coupled HH with 1 child, Coupled HH with 2 children, Coupled HH with 3+ children, Single parent HH with 1 child, Single parent HH with 2 + children). It should be noted that both coupled and single parent households could include other resident members whether relatives or non-relatives.

Table 1 compares child poverty rates across different countries and between different family types using the three equivalence scales. From this table, we can observe several patterns: 1) across different family types and for the three equivalence scales, child poverty rates in the Mediterranean countries are the highest followed by the Anglo-Saxon block, while poverty is lowest in the Nordic countries. 2) across different family types, single parent households scored the highest level of poverty compared to coupled households, for example in the United States, the child poverty rate ranged between 27 to 32% -according to different scales- in single parent households with one child compared to approximately 9% in coupled households with one child. 4) the effect of using different equivalence scales is barely noticeable in the case of coupled households with less than 3 children, while much more prominent in coupled households with 3+ children and single parent households. 4) The country ranking according to each scale change tangibly in the case of coupled households with 3+ children and single parent households with one child.

Table.1: Child poverty rate by different family types and equivalised by different scales in selected developed countries, circa 2013

Numbers in brackets indicate country ranking according to each equivalence scale within each family type

		Coupled HH with 1 child			Coupled HH with 2 children			Coupled HH with 3+ children			Single parent HH with 1 child			Single parent HH with 2 + children		
		LIS	OECD mod.	OECD orig.	LIS	OECD mod.	OECD orig.	LIS	OECD mod.	OECD orig.	LIS	OECD mod.	OECD orig.	LIS	OECD mod.	OECD orig.
Anglo-Saxon Countries	au10	7.8 (14)	7.9 (14)	8.1 (11)	7 (12)	6.3 (9)	7.7 (9)	13.9 (13)	13.8 (11)	17.9 (7)	23.2 (11)	15.5 (9)	13.8 (9)	39.6 (13)	26.5 (10)	32.3 (10)
	ca10	7.3 (12)	7.3 (12)	8.3 (13)	9.1 (13)	9.8 (13)	11.4 (13)	15.1 (14)	17.4 (14)	23.2 (12)	30.7 (15)	26.5 (15)	25.9 (15)	37.4 (12)	34.6 (13)	38.2 (12)
	ie10	6.4 (10)	6.7 (11)	7.5 (10)	6.2 (8)	6 (8)	6.9 (7)	6.6 (6)	8.4 (6)	11.5 (3)	28.1 (12)	16.5 (11)	14.5 (10)	22.7 (5)	10 (4)	13.8 (4)
	uk13	7.6 (13)	7.5 (13)	8.2 (12)	6.5 (9)	6.9 (11)	9.2 (10)	9.3 (8)	11.6 (8)	18.8 (8)	14.9 (5)	8.4 (3)	7.6 (3)	12.1 (2)	8.6 (3)	11.9 (2)
	us13	9.4 (15)	9 (15)	9.9 (15)	10.1 (15)	10 (14)	11.9 (14)	16.7 (15)	19 (15)	26 (15)	31.6 (17)	27.1 (16)	26.7 (16)	48.5 (17)	45.5 (17)	50.6 (17)
Nordic Countries	dk13	1.9 (1)	1.9 (1)	2.2 (1)	1.6 (1)	1.6 (1)	2.2 (1)	4.1 (4)	6.8 (3)	10.8 (2)	6.6 (1)	4.4 (1)	4.3 (1)	9.5 (1)	7.8 (2)	11.4 (1)
	fi13	2.3 (2)	2.3 (2)	2.6 (2)	2.8 (3)	2.5 (2)	3.5 (2)	1.6 (1)	3 (2)	11.7 (4)	7.9 (2)	5.1 (2)	4.9 (2)	16.7 (4)	6.3 (1)	13.5 (3)
	is10	4.8 (7)	4.2 (6)	4.3 (5)	2.9 (4)	2.6 (4)	3.6 (3)	3.1 (3)	2.6 (1)	4.6 (1)	21.5 (8)	13.7 (8)	13.7 (8)	25.7 (7)	16 (6)	20.1 (7)
	no13	3.4 (4)	3.2 (3)	3.5 (3)	3 (5)	3 (5)	4 (4)	6 (5)	8.2 (5)	11.8 (5)	13.1 (3)	8.7 (4)	8.1 (4)	25.9 (9)	20.9 (9)	26 (9)
Continental Europe	at13	3.1 (3)	3.6 (4)	3.6 (4)	6.8 (10)	8.1 (12)	10.1 (12)	12 (12)	14.9 (12)	24.8 (13)	18.2 (7)	10.5 (6)	9.6 (5)	25.8 (8)	16.4 (8)	24.9 (8)
	fr10	6.2 (9)	6.3 (10)	6.9 (9)	6.9 (11)	6.5 (10)	9.5 (11)	11.7 (11)	14.9 (13)	22.3 (11)	21.6 (9)	16.1 (10)	16 (11)	31.6 (10)	28.3 (11)	36.4 (11)
	de13	4 (6)	3.9 (5)	5.4 (7)	3.5 (6)	3.6 (6)	5.4 (5)	10.1 (9)	13 (10)	21.6 (9.5)	29.1 (13)	18.7 (12)	19.6 (12)	37.1 (11)	29.7 (12)	38.4 (13)
	lu13	6.6 (11)	6.2 (9)	8.7 (14)	10.1 (14)	10.4 (15)	12.6 (15)	6.9 (7)	11.7 (9)	25.1 (14)	29.7 (14)	20.8 (13)	20.7 (13)	46.8 (16)	38.7 (15)	45.1 (15)
	nl13	5.2 (8)	4.8 (7)	4.8 (6)	2.3 (2)	2.6 (3)	5.9 (6)	2.8 (2)	7.3 (4)	14.6 (6)	14.7 (4)	9 (5)	12.4 (7)	16.5 (3)	12.6 (5)	14.9 (5)
	ch13	3.7 (5)	4.8 (8)	6.1 (8)	5.4 (7)	4.5 (7)	6.9 (8)	10.8 (10)	10.3 (7)	21.6 (9.5)	15 (6)	12.1 (7)	12.1 (6)	24.4 (6)	16.4 (7)	16.4 (6)
Mediterranean Countries	gr13	14.3 (17)	14.9 (17)	15.8 (17)	17.7 (17)	19.1 (17)	21.9 (17)	18.5 (16)	21.6 (16)	26.3 (16)	23.1 (10)	23.1 (14)	22.5 (14)	46.5 (15)	44.4 (16)	48.2 (16)
	it14	12.1 (16)	13.4 (16)	14.9 (16)	16.4 (16)	15.9 (16)	20.6 (16)	30.4 (17)	27.8 (17)	38.3 (17)	31.2 (16)	29.9 (17)	32.4 (18)	56.8 (18)	54.2 (18)	56.6 (18)
	es13	14.7 (18)	15.9 (18)	17.2 (18)	20 (18)	19.2 (18)	22.5 (18)	37.3 (18)	39.3 (18)	44 (18)	36.4 (18)	30.9 (18)	30.8 (17)	43.3 (14)	37.4 (14)	43.5 (14)

Source: Luxembourg Income Study (LIS) Database

In order to concisely capture how the child poverty rate changes with the equivalence scales and across different family types, percent point differences are calculated. Figures 1a and 1b summarize this effect. Both figures set the LIS scale as benchmark. The differences signal that the effect of changing the scales is substantial for single parent families with one child. The poverty rates are greater using the LIS scale as compared to using the OECD scales, the average difference is approximately 5 percent points, with the highest difference in Ireland as child poverty using the LIS scale reaches 28.1% compared to only 14.5% using the OECD scale. This exhibited pattern can be largely explained by the fact that the OECD scales assume higher elasticity than the LIS scale[3], which implies lower *economics of scale* and means that small households need less income to obtain the same standard of living, resulting in shifting more households out of poverty by increasing their equivalised income.

Fig.1a: Percent point differences in child poverty rate equivalised by different scales (eq. by LIS scale - eq. by OECD modified scale)

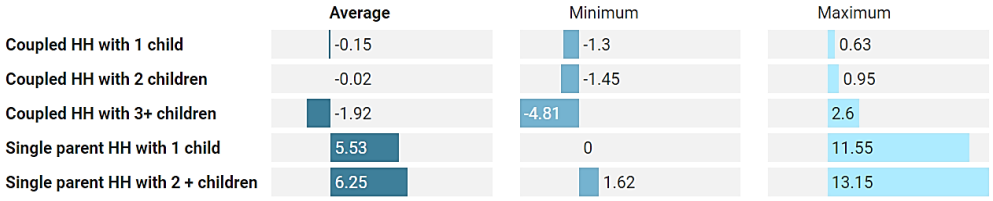
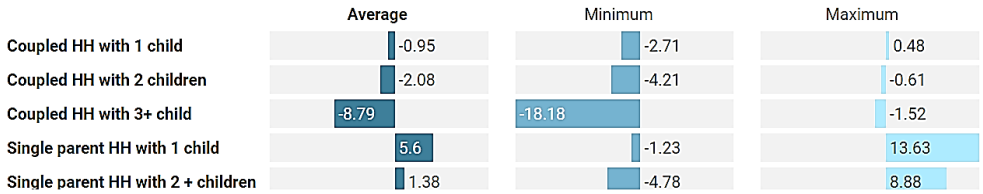


Fig.1b: Percent point differences in child poverty rate equivalised by different scales (eq. by LIS scale - eq. by OECD original scale)



Source: Luxembourg Income Study (LIS) Database
Created by Datawrapper

A similar pattern with an opposite direction is observed for coupled households with more children, where child poverty rates are higher using the OECD scales compared to the LIS scale, with an average of approximately 9 percent points when comparing the LIS scale to the OECD original scale, the highest difference is observed in Luxembourg with 7% compared to 25%. This increase in poverty, when equivalising with the OECD scales is because these households are composed of larger number of both adults and children, for which the OECD scales assign high weights causing the overall equivalence factor to be larger than the factor of the LIS scale. These households in turn end up with lower amounts of equivalised household income and hence fall below the poverty threshold.

Table.2: correlation of country ranking in child poverty rate using different equivalence scales, by family types

	Country Ranking using LIS scale
Coupled HH with 1 child	
Country Ranking- OECD mod. scale	0.98*
Country Ranking- OECD orig. scale	0.96*
Coupled HH with 2 children	
Country Ranking- OECD mod. scale	0.98*
Country Ranking- OECD orig. scale	0.96*
Coupled HH with 3+ child	
Country Ranking- OECD mod. scale	0.97*
Country Ranking- OECD orig. scale	0.86*
Single parent HH with 1 child	
Country Ranking- OECD mod. scale	0.96*
Country Ranking- OECD orig. scale	0.94*
Single parent HH with 2 + children	
Country Ranking- OECD mod. scale	0.97*
Country Ranking- OECD orig. scale	0.98*

*Statistically significant at .05 level

Source: Luxembourg Income Study (LIS) Database

In cross country comparisons, not only the level of the poverty is the core of the study but also how the countries rank with respect to the poverty and inequality measures. Table 2 presents the pairwise correlation between the LIS scale and OECD modified scale / OECD original scale across the different family types. Overall, the degree of agreement in country ranking between LIS scale and the OECD modified scale is very high reaching ≈97%, with the lowest correlation detected in single parent household with one child. While the correlation is less strong between the LIS scale the OECD original scale, with the lowest correlation in the case of coupled households with 3+ children (Pearson correlation coefficient: 0.86).

In conclusion, different equivalence scales can have a strong impact on the measured level of poverty, particularly when decomposed by different family types. As indicated, single parent households and larger coupled households are more sensitive to these changes. However, the sensitivity analysis suggests that the change in the equivalence scale does not affect country ranking as such. That being said, selecting the equivalence scale should be implemented with care, as this selection affects poverty and inequality levels. Taking these methodological implications into account, enables better shaping of relevant policy recommendations.

1 *Background paper commissioned by the UN Women for* the progress of the world's women 2018 report *accessible here*.

2 *LIS provides child poverty rates among its key figures for all the available countries/years through its search engine tool.*

3 *Equivalence elasticity for the OECD original scale=0.73, OECD modified scale = 0.53, LIS scale=0.5.*

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Triple bind of single-parent families

Rense Nieuwenhuis ✉, Swedish Institute for Social Research (SOFI), Stockholm University, and Laurie C. Maldonado ✉, The Stone Center on Socio-Economic Inequality at the Graduate Center, City University of New York

The new book, *The triple bind of single-parent families,* is about how single parents face a triple bind of inadequate resources, employment, and policies, which in combination make it difficult for single parents to provide for themselves and their families. Edited by Rense Nieuwenhuis and Laurie C. Maldonado, *The triple bind of single-parent families* brings together international experts who contribute their latest research on single parenthood, inequality, and social policy across 40 countries. Here, we describe the framework of the book, feature chapters that used the *LIS* and *LWS databases*, and highlight the book's overall lessons to improve the wellbeing of single-parent families.

Thanks to the support of Knowledge Unlatched, the *Triple bind of single-parent families* is available as open access. The book can be downloaded for free.

Triple Bind

The concept of the *Triple Bind* aims to explain disadvantages in the well-being of single parents and their children. It combines perspectives on single parents' resources, their employment, and social policies, in all aspects emphasizing how single parenthood is strongly gendered. Single-parent families tend to have fewer resources than families with two parents, in relation to the absence of a partner living in the household and for instance as single parents are more likely to have a low level of education. To further complicate their situation, many single parents experience inadequate employment as labor markets are increasingly precarious and unequal. Unemployment, low paid jobs, and nonstandard working hours are particularly difficult for single parents to negotiate with only one potential earner and caregiver in the household. Furthermore, to add even more complexity, many (family) policies are based on gendered assumptions, such as very long periods of parental leave for mothers. Levels of minimum income protection are falling below the poverty level in many countries. Consequently, many countries fail to provide adequate social policies – a safety net that prevents single parents and their children from poverty. The triple bind accounts for the interplay of adequate resources, employment, and policy - and how they interact to support the wellbeing of single-parent families.

Featured LIS/LWS data

LIS and other high quality cross-national databases are indispensable to assess the triple bind; which aims to examine the interplay of individual resources, labor market institutions, and social policies. The introduction uses the *LIS database* to be able to show trends in the prevalence, and employment, and poverty of single parents across 24 countries covering nearly four decades. Here, we feature four more chapters using the *LIS* and *LWS data*.

Juho Härkönen (Chapter 2) used the *LIS database* to show that the poverty risk of lower-educated single parents varies substantially across 15 countries, pointing to more contextual explanations than just inadequate resources. Indeed, lower-educated parents were more likely to be single than coupled parents; however, this 'educational gradient' in single parenthood was shown to contribute little to the explanation of single parents' poverty risks. Eva Sierminska (Chapter 3) used the *LWS database* to analyze the wealth portfolio of single parents, showing the substantial gap between single and coupled parents' wealth accumulation. The chapter stresses the importance of home ownership for single parents. Young-Hwan Byun (Chapter 10) used the *LIS database* to assess what it takes for single parents to earn a middle-class income. He examined 18 countries over time. His findings suggest that single parents are more likely to earn middle-class income in countries with strong union coverage and paid parental leave. Single parents were less likely to be poor, but also less likely to earn a middle-class income in countries with high rates of female labor force participation. Ann Morissens (Chapter 16) used *LIS database* to assess the universal and targeting policy design of family benefits. These findings suggest that countries that use targeting within universalism to be most effective in reducing poverty among single parents.

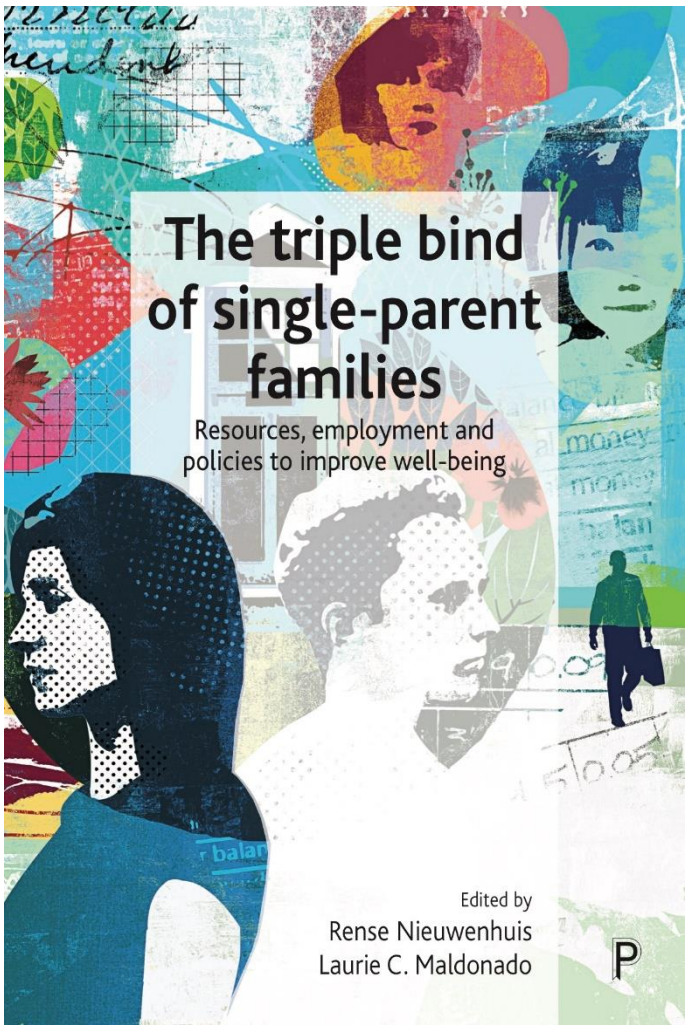
Lessons from the Triple Bind

1. **Inequality matters for single parents' wellbeing**. Single parents and their children tend to face greater risks of poverty and deprivation compared to coupled parents. Yet, it matters a great deal *where* one is a single parent, with these poverty risks being greater in more unequal countries with fewer supportive policies. These poverty risks were found to be consequential, as across countries single parents' resources (including poverty, material deprivation, and education) could account for the disadvantaged well-being of themselves and their children to a considerable extent – in some cases even fully.
2. **Policies that benefit all families matter for single-parent families**. Studies on single parents often focus on policies that are targeted at single parenthood, such as child support. Notwithstanding the relevance of such specific policies, numerous studies in this book show that policies aimed at the general population of all families can be just as effective in support single parents' wellbeing.
3. **Gender, involved fathers and support for shared parenting matter**. The gendered nature of single parenthood is often underexplored in solutions to support single parents and their children. Yet, two Swedish case studies suggest the importance of doing so. Gender-neutral and well-paid parental leave to both parents succeeds in encouraging fathers to take leave. Even in couples who separated in the first year after childbirth, fathers on average take around 70 days of leave before their child's eighth birthday. Swedish children in shared residence, spending equal amounts of time with both parents, report levels of wellbeing that are the same as children whose parents did not separate.
4. **Investments in employment matter to support inclusive societies**. Policy makers often turn to employment as a means to prevent poverty and to improve wellbeing. This book shows that employment is indeed associated with positive outcomes among single parents, that extended beyond poverty reduction. Yet, only when properly supported by employment protection – including active labor market policies and work-family reconciliation policies – did being employed live up to its full potential to improve wellbeing for single parents.

5. **Reasons for concern remain, and they matter**. Even among many working single parents, transfer incomes make up a sizeable share of their disposable household incomes. Despite effective measures to support the employment of single parents, supplemental transfer income remains important. Especially in times of high wage inequality and precarious employment. Yet, levels of minimum income protection are falling, partially in response to decreasing minimum wages to maintain work incentives. Taken together, increasing labor market inequality not only challenges working single parents, but also those outside the labor market.

Families are becoming more diverse, and policies addressing their needs are growing more complex. Yet, the main findings in this new book *The triple bind of single-parent families* show that policies that reduce gender inequality (such as childcare, moderate durations of well-paid leave) and class inequality (such as active labor market policies, generous redistribution) are also effective in supporting single parents and their children. Indeed, taking a very broad perspective, we conclude that single parents do better in societies with institutions that support equality of gender and equality of class. Just like everyone else.

Nieuwenhuis, R., & Maldonado, L. C. (Eds.). (2018). *The triple bind of single-parent families: resources, employment and policies to improve wellbeing*. Bristol: Policy Press.



News, Events and Updates

2018 LIS Introductory Summer Workshop, 1-6 July 2018

The LIS Summer Workshop will be held at the University of Luxembourg, Belval Campus, Esch-sur-Alzette, the Grand Duchy of Luxembourg. The LIS Introductory Summer Workshop is designed to introduce researchers in the social sciences to comparative research on income distribution, employment and social policy, using the Luxembourg Income Study Database (LIS) and the Luxembourg Wealth Study Database (LWS). The workshop format will contain a mixture of lectures taught in English and lab sessions explained in Stata. The successful completion of the workshop will enable the participants to work independently with LIS' remote access system.

Applicants are expected to be versed in descriptive and inferential statistics, have working knowledge of Stata as well as basic programming skills with Stata or any other statistical software (R, SAS, SPSS). Researchers and doctoral students from various social science disciplines are invited to apply.

For more information, please visit our webpage.

Applications should be submitted online by March 23, 2018.

2018 LIS/LWS Users Conference

The second LIS/LWS Users Conference will take place on the 3rd-4th of May 2018. This year's conference is dedicated to the legacy of Tony Atkinson, LIS former President, in inequality analysis field. We received submissions on a variety of topics such as: income inequality, top incomes, joint approach on income & wealth, child poverty, work-family life balance, intergenerational mobility, and income redistribution. The keynote speaker will be Stephen Jenkins, Professor of Economic and Social Policy at the London School of Economics, with a lecture on European Poverty. The conference will take place at the Belval Campus (Blackbox), Luxembourg. Check our webpage for information on programme updates and attendance registration, the registration will be available in the beginning of April.

Visiting scholars

In January, we were welcoming two scholars who worked onsite with the LWS data; namely Arip Muttaqien and Nora Waitkus who applied through the InGRID-2 project.

Arip Muttaqien is a PhD fellow at UNU-MERIT/Maastricht University in the Netherlands. His study is financed by Indonesian Endowment Fund for Education (LPDP) from Indonesian Ministry of Finance. During his visit at LIS, Arip used the LWS database to undertake the project "housing inequality across countries". This project aims to investigate housing distribution inequality across countries. The research questions include (1) what are the determinants of housing distribution in each country and (2) why does housing distribution inequality differ across countries. This project examines the contribution of socio-demographic and economic characteristics in explaining differences in housing distribution across countries.

Nora Waitkus is a research associate at SOCIUM (Research Centre on Inequality and Social Policy) and a PhD-fellow at BIGSSS at the University of Bremen. During her research stay at LIS, Nora conducted the analysis for a joint paper with Fabian T. Pfeffer (University of Michigan) on the relationship between wealth and income inequality. Comparing all countries and years available in LWS, Nora carried out cross-national comparisons of inequality and concentration of various income and wealth measures.

Inequality by the Numbers

The Stone Center has announced its annual "Inequality by the Numbers" workshops, to be held June 4-8, 2018, at the CUNY Graduate Center in New York City.

Overview: The "Inequality by the Numbers" workshop will take a broad approach to the study of socio-economic inequalities – spanning inequalities in income, wealth, employment, education, social mobility, health, and happiness. Instructors will focus on inequalities through multiple lenses and disciplines, including gender, class, race, age, immigration status, politics, and psychology. Disparities will be considered in several geographic contexts: within New York City, across the U.S. states, across countries, and globally.

Speakers: Confirmed speakers include Richard Alba, Louis Chauvel, Andrew Clark, Maureen Craig, Conchita D'Ambrosio, Nancy Folbre, Michael Forster, Janet Gornick, Darrick Hamilton, Jessica Hardie, Paul Krugman, Christoph Lakner, Leslie McCall, Ruth Milkman, Lawrence Mishel, Salvatore Morelli, James Parrott, and Florencia Torche. Speaker bios will be added to the workshop website soon.

Structure: This workshop is targeted to PhD students and early-career scholars, working in a range of social science disciplines — especially economics, sociology, political science, and psychology — and with a keen interest in socio-economic inequalities. We also welcome applications from interested persons from other settings, including journalism, foundations, and nonprofit organizations.

Logistics:

Workshop website is here.

Application portal (deadline is April 9, 2018**)** is here.

Preliminary workshop schedule is here.

Public events co-hosted by the Stone Center

On February 28, 2018, the Stone Center and the CUNY Graduate Center co-hosted a major panel focused on assessing the effects of the United States' new tax law, which was implemented in January 2018, amid much controversy. The panelists discussed potential effects on macroeconomic growth, capital accumulation, wage trajectories, and the November 2018 U.S. elections.

The panel – titled **U.S. Tax Reform: Where Are We Now**? – featured **Paul Krugman**, Nobel laureate, *New York Times* columnist, and Stone Center core faculty member; **Lily Batchelder**, NYU law professor and former deputy director of President Obama's National Economic Council; **Leonard Burman**, co-founder of the Urban-Brookings Tax Policy Center and professor at Syracuse University; **Laurence Kotlikoff**, professor at Boston University and co-author of *Get What's Yours*, on social security benefits.

The panel was introduced by **Janet Gornick** (Director of the Stone Center and the U.S. Office of LIS) and moderated by **Kathleen Hays,** global economics and policy editor at Bloomberg. A video of the event will be added to the GC/Stone Center websites soon.

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