

Comments on “Cashing in on Wealth: links between Wealth and Income Inequality from the Lens of Distributional Wealth Accounts”, by Morais, Blatnik, and Kavonius

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Comments

- ▶ progress report on providing joint distributions in the “distributional accounts” approach
- ▶ departs from distributional wealth accounts, uses HFCS data to construct distributional national accounts on top or beside those
- ▶ the ambition is to have quarterly distributional (wealth and income) accounts (but I am not sure why or even if this is wise)
- ▶ allows for analysis of joint distribution of income and wealth with marginal distributions consistent with national accounts concepts

Comments

- ▶ impressive advances have been made in distributional accounts in the last decade or so both within international organisations (ECB network, OECD), nationally, and academia
- ▶ it may be good to be clear on what the *gains* are from pressing microdata into the NA frame? Are there downsides? What do we learn from these exercises?
- ▶ a world in which the main gain is that distributions are taken seriously if they are conveyed in the language of national accounting. . .
- ▶ . . . is very different from one in which in which central theoretical issues can be settled if distributions are consistent with national accounts

More comments

- ▶ reports written from a national-accounting perspective are very difficult to follow for non-afficianados → use also established micro concepts in e.g. Table 1
- ▶ to be self-contained, the paper should explain what the “ideal” measure is and then show which parts can be covered, and how
- ▶ when you can validate methods against external sources, please do so
- ▶ the “added rich” are mildly bizarre and should, again, probably be validated somehow (e.g. in a country with register data)
- ▶ constructing the series involves many steps, requiring many choice to be made. It might be helpful to visualise these, also showing what alternatives were contemplated at each stage
- ▶ why do you report overall (i.e., all countries) results, rather than within-country results?
- ▶ do you equalise wealth? If not, why? If yes, why?



Morais, Luís Teles, Nina Blatnik, and Ilja Kristian Kavonius (2023). “Cashing in on Wealth: links between Wealth and Income Inequality from the Lens of Distributional Wealth Accounts”. Bank of Italy-IARIW Conference, Naples, March 2023.