

# **Econ 133 – Global Inequality and Growth**

## **Inequality during Covid**

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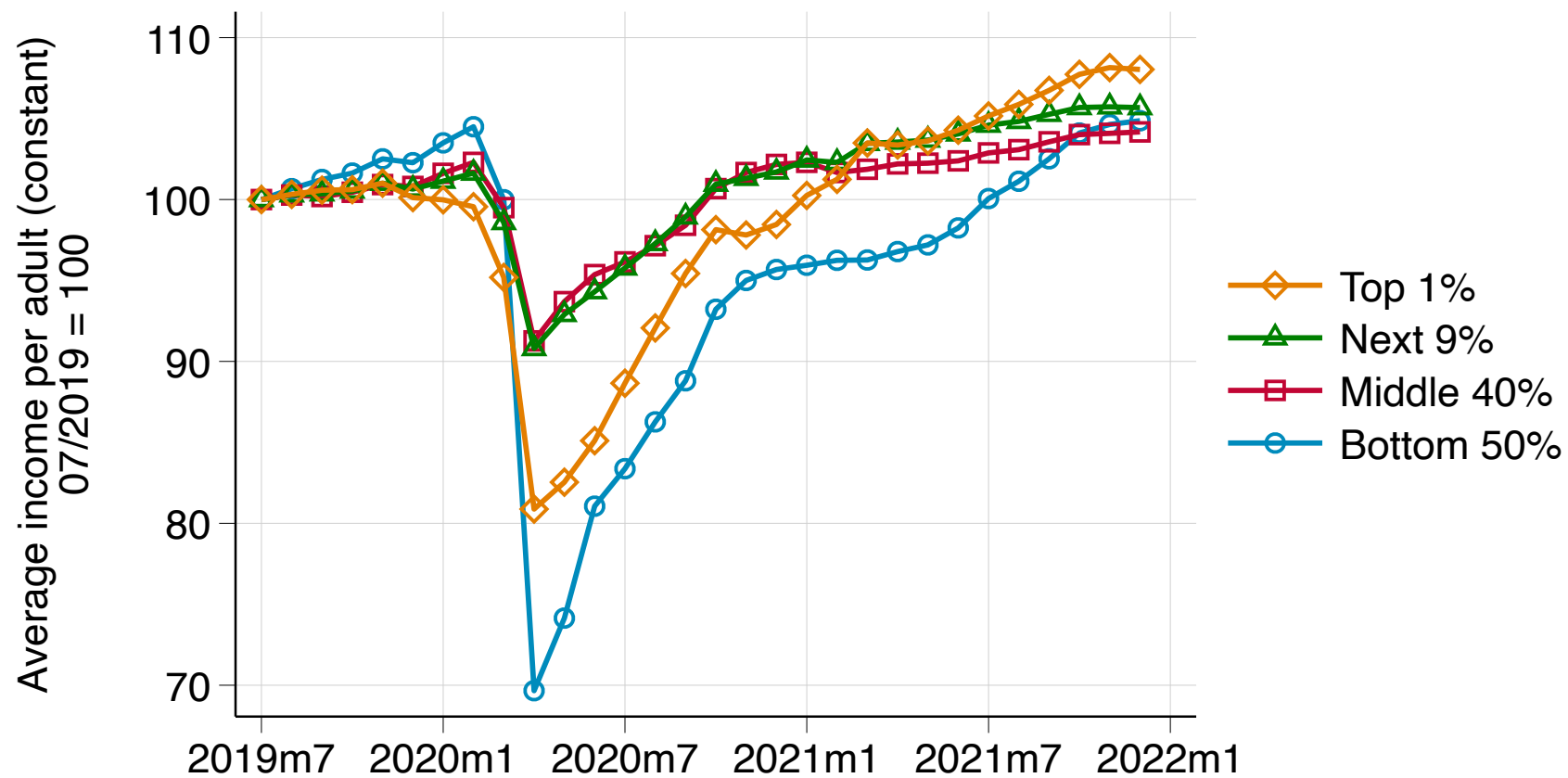
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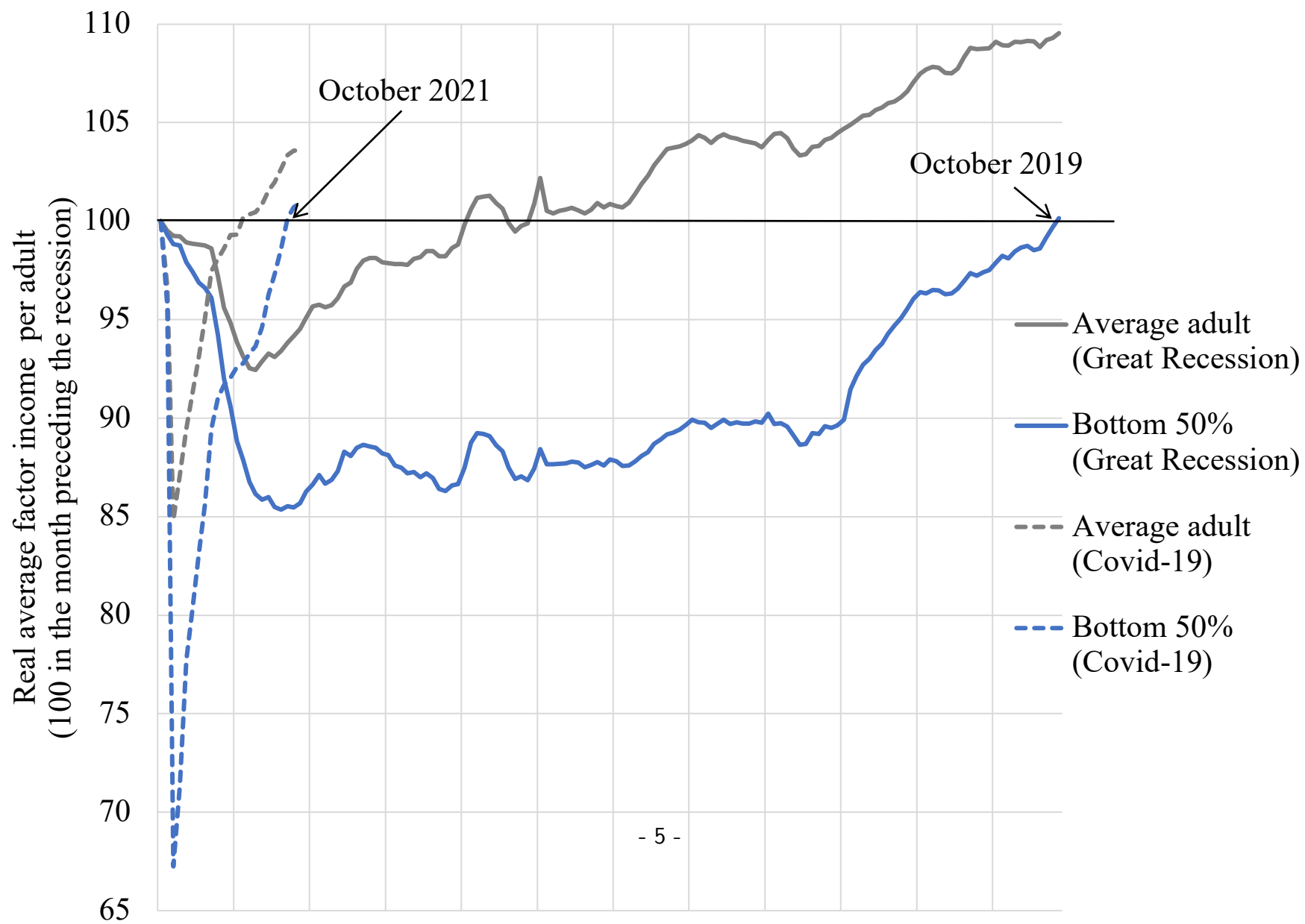
## Roadmap

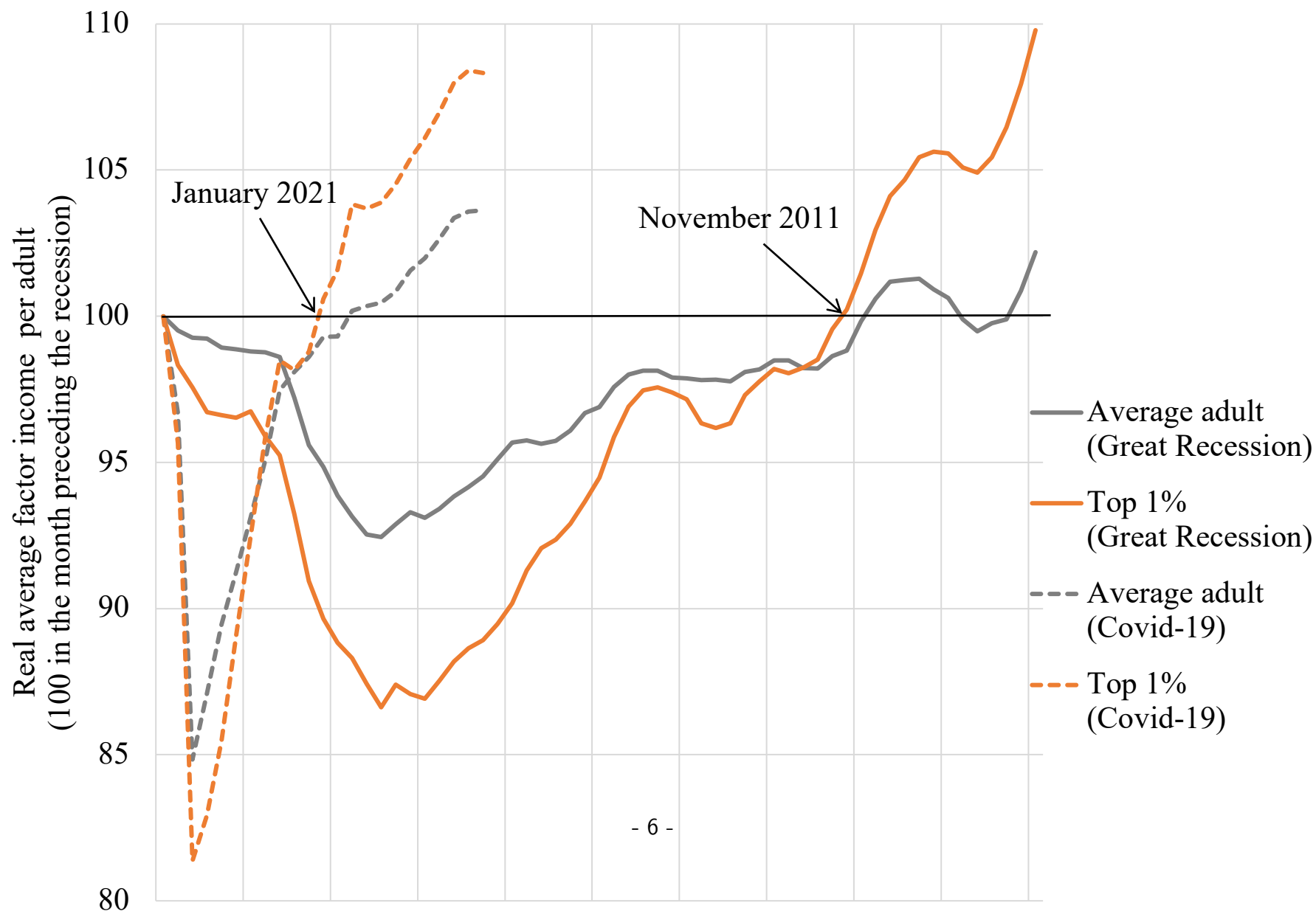
1. The rise of inequality during the pandemic
2. The effect of government intervention

# 1 The rise of inequality during Covid

- Key data source for following US inequality in real time:  
<http://realtimeinequality.org>
- Pretax income fell dramatically for the bottom 50% in the early months of pandemic
- Recovered in 2021, but more pretax inequality today than in 2019

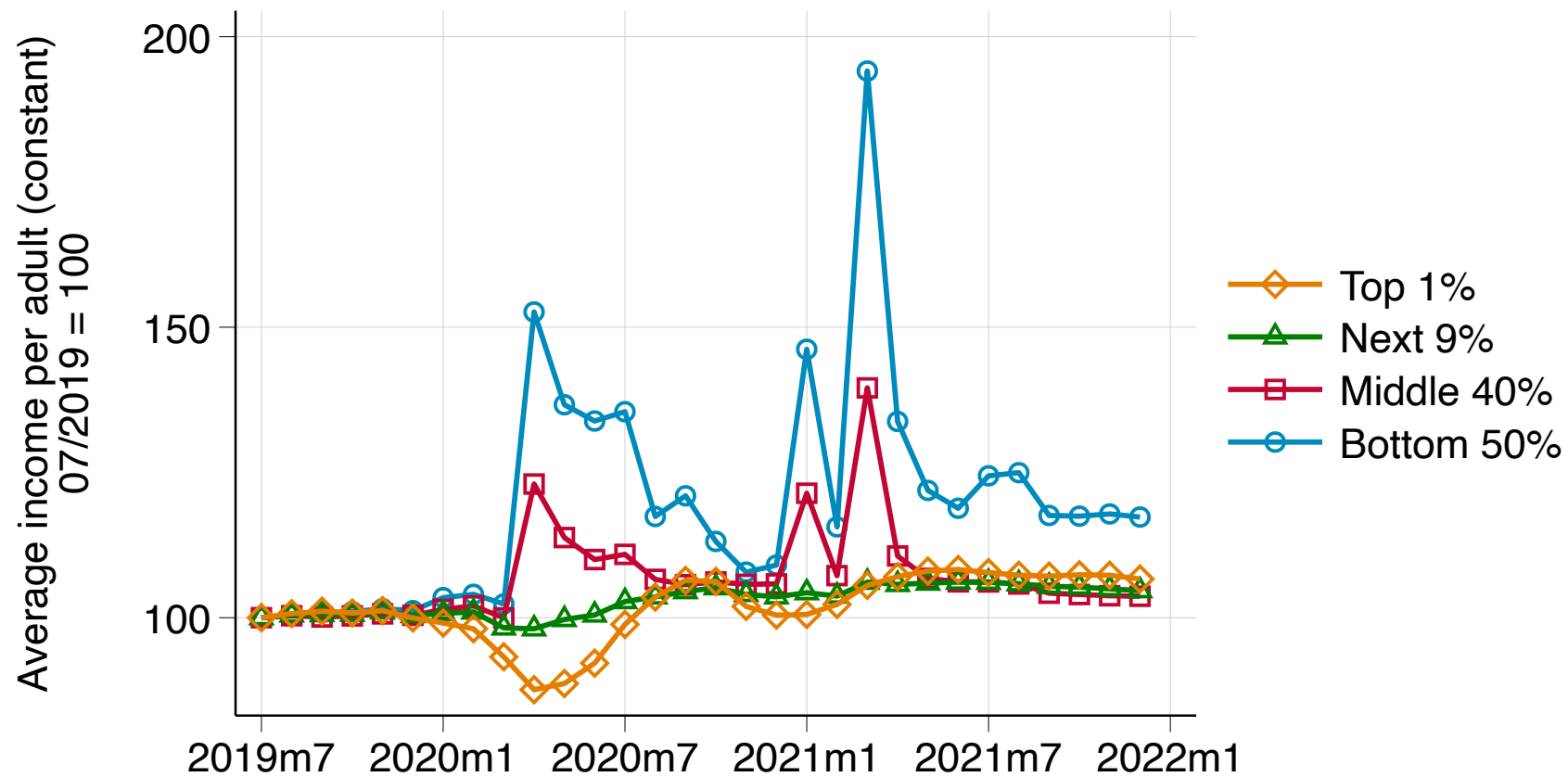




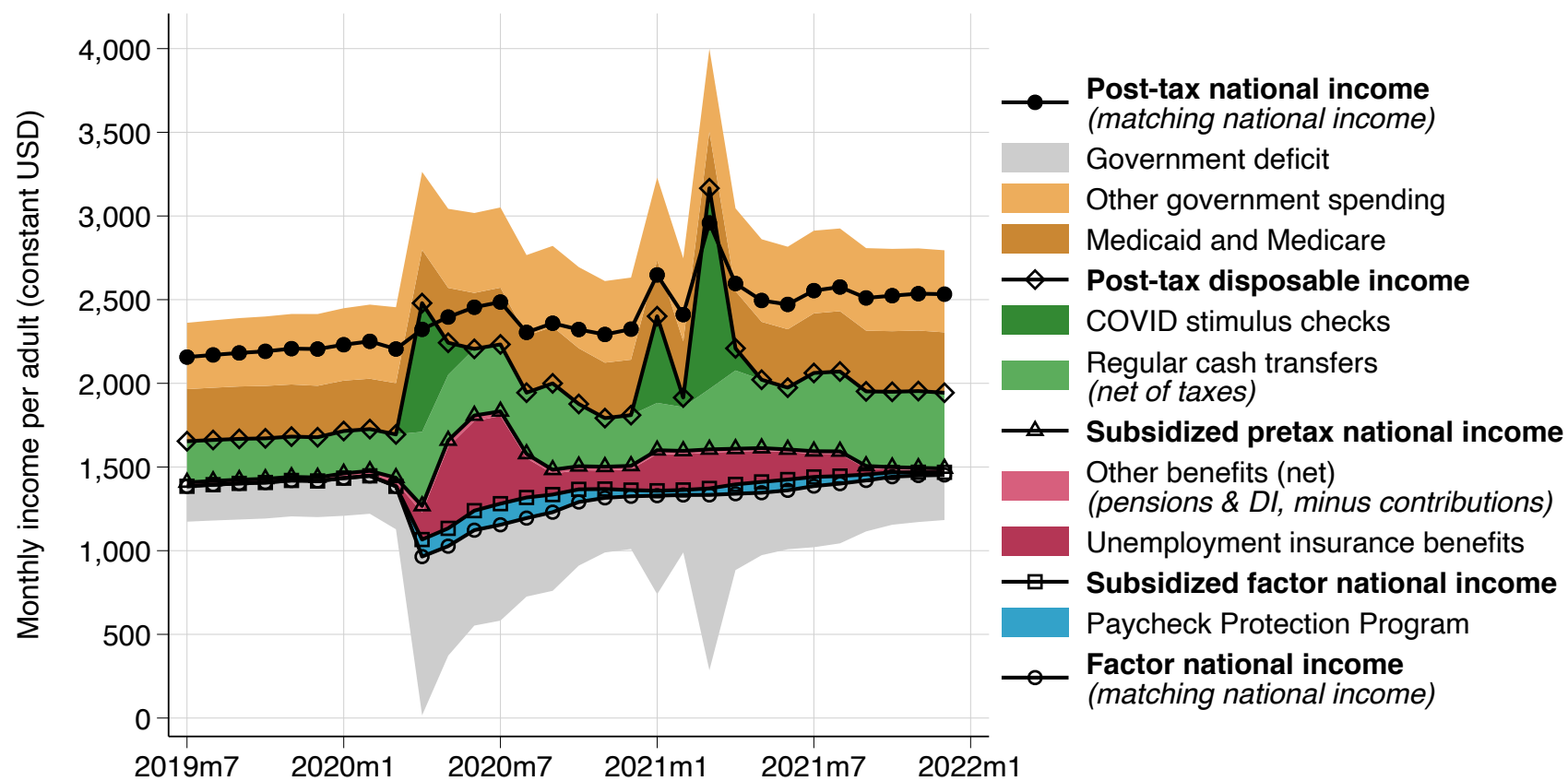


## 2 The effect of government intervention

- Large government deficits: 15% of GDP in 2020 and 2021
- Variety of programs: unemployment insurance, paycheck protection (forgivable loans), extended child tax credit, economic impact payments
- Too little? Too much?







## References

Blanchet, Thomas, Emmanuel Saez, and Gabriel Zucman, “Real-Time Inequality”, working paper, 2022 (web)