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# Talk Turns to Inequality at Annual Meeting of Economists

JAN. 5, 2015

**Justin Wolfers**

The big annual gabfest for academic economists, currently underway in Boston, provides a useful signal of how the field is evolving. Consider this a dispatch from the pleated khaki-clad trenches. The clearest theme so far is a renewed interest in inequality.

To some extent, this reflects the moment we're in, with income inequality having returned to levels last seen in the gilded age. Likewise, there's a greater focus on the distribution of wealth, and the latest data compiled by economists Emmanuel Saez and Gabriel Zucman show that the top 0.1 percent hold as much wealth as the bottom 90 percent.

But this renewed focus on inequality also reflects newly available sources of data that highlight these issues more clearly than ever. In particular, Raj

Chetty and collaborators have linked the tax returns of parents with those of their children, which provides the sharpest insights yet into the extent to which the family you're born into shapes longer-term outcomes.

There is also an internal dynamic to all of this, reflecting the rhythm of scholarly debates. In particular, Thomas Piketty's surprise best-seller, "Capital in the Twenty-First Century," has clearly caught the economics profession flat-footed, and it is only now starting to respond.

It's not that the heart of the profession buys into Mr. Piketty's specific theoretical framework — although there's much greater sympathy for it among those on the left than on the right — but rather that it highlighted the fact that mainstream economics still lacks a compelling explanation for why inequality has risen so sharply. And while many remain suspicious of Mr. Piketty's dire prognosis that inequality will continue to rise, the absence of a strong competing theory means that agnosticism remains the only alternative pose.

There's a sense, too, that the United States economy is starting to return to normal, after a recession that was far too deep, and a recovery that has been troublingly slow. And so perhaps it is natural that as concerns about the economic cycle become less pressing that dismal scientists will shift their gaze from unemployment to inequality.

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