The Economic Well-Being of the U.S. Population by Education, Race, and Geography, 1996–2016

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Extended Abstract:

In recent years, research has emphasized particular dimensions of economic well-being in the United States and how these differ across groups and over time. Piketty and Saez (2003) highlight inequality. Chetty et al. (2018) investigate intergenerational mobility. Case and Deaton (2015, 2018) emphasize rising mortality rates for middle-aged whites with low education. And numerous papers document the low wage growth at the middle and bottom of the income distribution; Piketty, Saez, and Zucman (2018) is a recent example.

It is generally appreciated that these dimensions can be correlated. For example, the same groups that suffer low wage growth may suffer from declining life expectancy. Changes in a broader measure of well-being may therefore be larger than changes in any single component.

In this project, we will apply a consumption-equivalent welfare metric to assess the combined impact of trends in consumption, leisure, and mortality across individuals with different education, race, gender, and geographic location within the United States.[1]

Examples of some of the questions we hope to consider are below:

- How large are the differences in consumption equivalent welfare across education, race, gender, and geography (and across combinations of these categories)?
    - How much larger is the welfare gap between whites and other groups after incorporating not only consumption gaps but life expectancy gaps?
- How has consumption-equivalent welfare changed for various groups and why?
    - How costly in consumption equivalents is the declining life expectancy for low-education whites?
    - Are there groups (e.g. rural whites in the South) who are worse off today than in 2000?

[1] The methodology is similar to what Jones and Klenow (2016) used for cross country comparisons.

    - By how much has the 3-fold increase in incarceration rates among young black males in recent decades reduced their consumption-equivalent welfare? Are black-white welfare gaps widening, in contrast to the stable wage gaps?

    - Have particular regions, such as the Northeast and the West, fared better than others, such as the Midwest?

    - How different are welfare changes by gender? For example, how have black women done relative to black men?

    - How has consumption equivalent welfare changed for different age groups? Are the elderly in some regions doing better than in others?

- Other questions

    - Has welfare growth been even slower than the meager income growth since the Great Recession, perhaps because of rising inequality and because of stagnating (or even declining, for some groups) life expectancy.

    - How costly, in terms of consumption equivalent welfare (in levels and in inequality), is falling geographic mobility?

    - How do welfare gaps for different education groups compare to income gaps? Are they continuing to widen?