

**Title:** **LIFETIME INCOMES IN THE U.S. OVER SIX DECADES**

**Speaker:** Fatih Guvenen, University of Minnesota

**Importance:** Why this matters

Most statistics reported are based on annual incomes, but we know much less about patterns in lifetime incomes. This is important for a wide range of economic and policy issues

- Measuring life time tax burden
- Consumption/saving/portfolio choice decisions
- Retirement saving...and pension system reform
- Measuring private gains from education, occupational choice, et

**Investigation:** "Speaker analyzed XXX data to address the questions yyy, zzz, etc."

This study is based upon Social Security data. Cohorts of people entering the workforce year by year, and traced from 25 to 55 years of age. Incomes are adjusted by the series of Personal Consumption Expenditure index.

**Innovation:** Are there new techniques of interest in the data or approach to the problem?

The messages in the data are revealed by creating age cohorts and made comparable by the adjustment for inflation.

**Insights:** 1-2-3, what are the three most important things the speaker offered?

- 1) Male lifetime earnings records show a decline between 1983 and 2013 of 10% to 19%. In contrast, lifetime earnings for women have steadily increased, partly due to very low starting values and leveling -- but not declining -- off in recent years.
- 2) The level of lifetime income inequality is very high and has been increasing steadily. Guvenen attributes this to trends in "brains and brawn."
  - (1) Brains representing the increasing levels of college education leading to higher lifetime incomes, compounded by
  - (2) An ever decreasing demand for "brawn", representing lessening demand for unskilled manual labor.

**Audience rating:**