

Contents

1	Introduction	1
1.1	The Revived Interest in the Problems of Income and Wealth Distribution.	1
1.2	Re-Incorporating Distributional Issues into the Main Body of Economic Analysis	6
1.3	Aim and Contents of this Book.	9
2	The Parametric Approach to Income and Wealth Distributional Analysis	11
2.1	The Idea of a Parametric Model for Income and Wealth Distributions	11
2.2	Brief History of the Models for Studying Income and Wealth Distributions	13
3	The κ-Generalized Distribution	17
3.1	The Distribution and Its Properties.	17
3.1.1	Derivation	18
3.1.2	Definitions and Interrelations	22
3.1.3	Moments and Related Statistics.	25
3.1.4	Lorenz Curve and Inequality Measures.	26
3.1.5	Economic Interpretation of the Parameters	31
3.1.6	Estimation	37
3.2	Empirical Results and Comparisons to Alternative Income Distributions	38
3.2.1	Description of the Income Data.	39
3.2.2	Results of Fitting to Empirical Distributions: Italy and the United States.	42
3.2.3	Comparisons of Alternative Distributions	47

4	The κ-Generalized Mixture Model for the Size Distribution of Wealth	53
4.1	Motivation	53
4.2	Model Specification	56
4.3	Moments of the κ -Generalized Mixture Model for Net Wealth Distribution	57
4.4	The Lorenz Curve and the Gini Index of the Net Wealth Distribution Model	58
4.5	Application	61
4.5.1	Data and Preliminary Inspection	61
4.5.2	Estimation and Comparison of Finite Mixture Models for Net Wealth Distribution	66
5	Four-Parameter Extensions of the κ-Generalized Distribution	75
5.1	Definitions and Basic Properties	75
5.2	Population Characteristics	83
5.3	Empirical Results	83
6	Conclusions	85
6.1	The Main Results of this Book	86
6.2	Keys to Our Analysis	86
6.3	Thinking About the Size Distribution of Income and Wealth	89
6.4	Where Do We Stand and Where Are We Headed?	91
Appendix A: Mathematics of <i>Strange</i> Quantities: Why Are κ-Generalized Models a Good Fit to Income and Wealth Distributions? An Explanation		93
Appendix B: Supplementary Tables		133
References		165
Index of Citations		175

The Distribution of Income and Wealth
Parametric Modeling with the κ -Generalized Family
Clementi, F.; Gallegati, M.
2016, XVI, 177 p. 24 illus., Hardcover
ISBN: 978-3-319-27408-9