



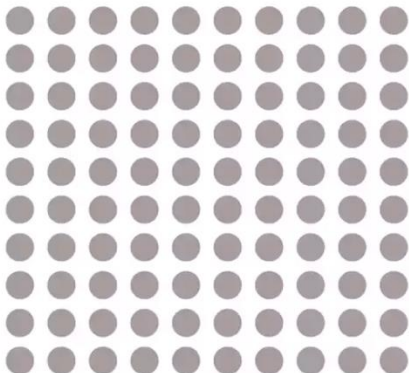
Treasury Secretary Steven Mnuchin, right, and his wife, Louise Linton, hold up a sheet of new \$1 bills on Nov. 15 at the Bureau of Engraving and Printing in Washington. (Jacquelyn Martin/AP)

Pietopia

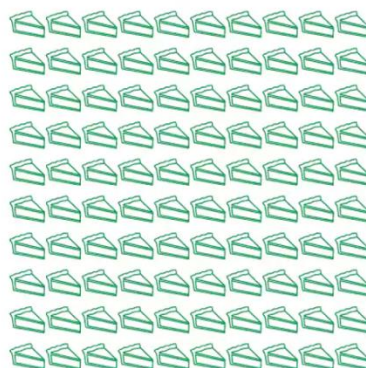
Taken from “The richest 1 percent now owns more of the country’s wealth than at any time in the past 50 years” by Richard Ingraham (Washington Post, December 7th, 2017)

For the sake of illustration, let's say that America is a country of 100 people, and all of the wealth in the country — the homes and land and financial assets — is represented by 100 slices of pie.

100 people



100 slices of pie

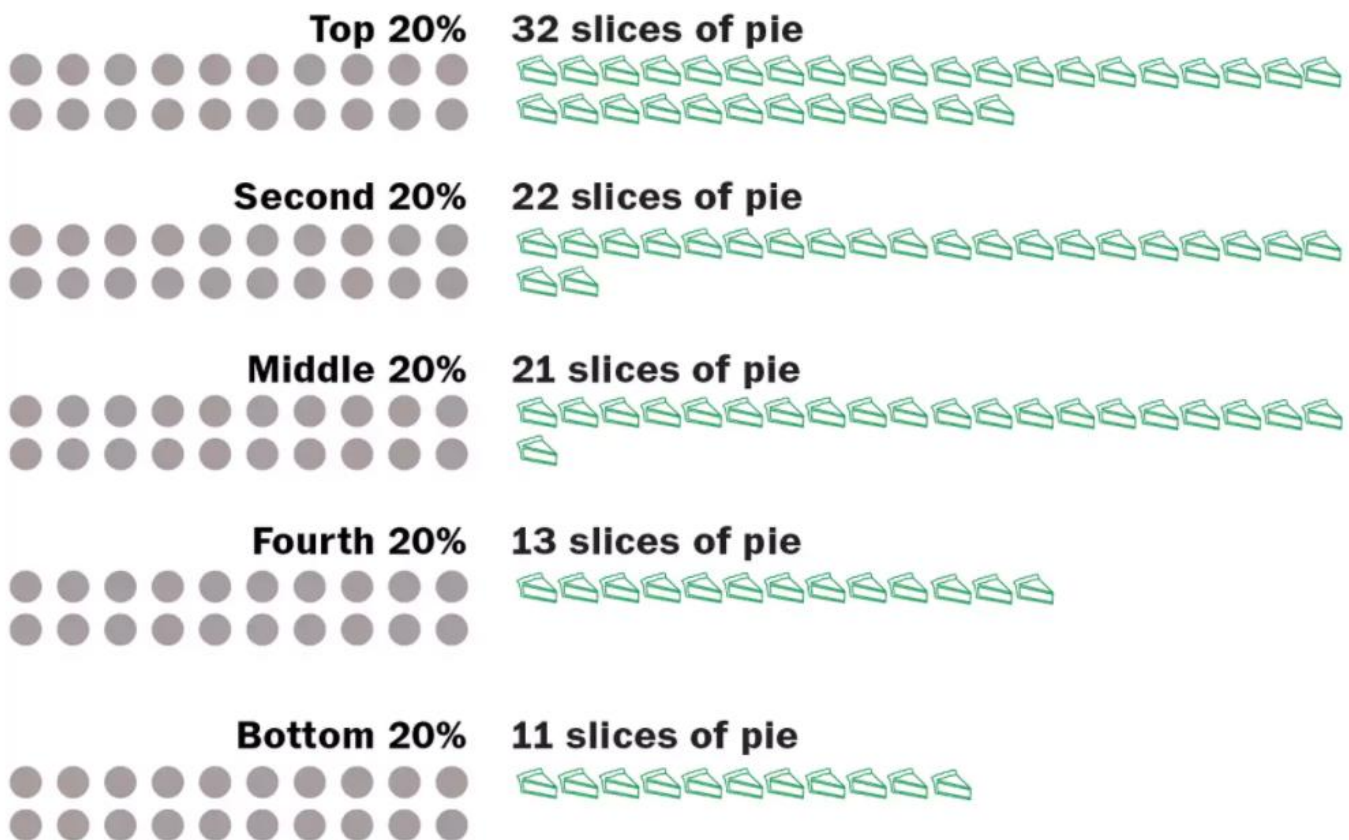


That works out to an average of one slice of pie per person, which is exactly what everyone would get if we lived in a society where wealth was equally distributed.

But that's not the society we live in, and indeed that's not the society that most of us want to live in either. People generally agree that if you work harder you're entitled to more of the pie, and that if you don't work at all, well, barring certain circumstances, no pie for you.

In 2010, Michael Norton and Dan Ariely surveyed more than 5,500 people to find out how they thought wealth should be distributed in this country: How much of the pie should go to the top 20 percent of Americans, and to the next 20 percent, and so on, all the way down to the bottom of the distribution?

Ideal pie distribution

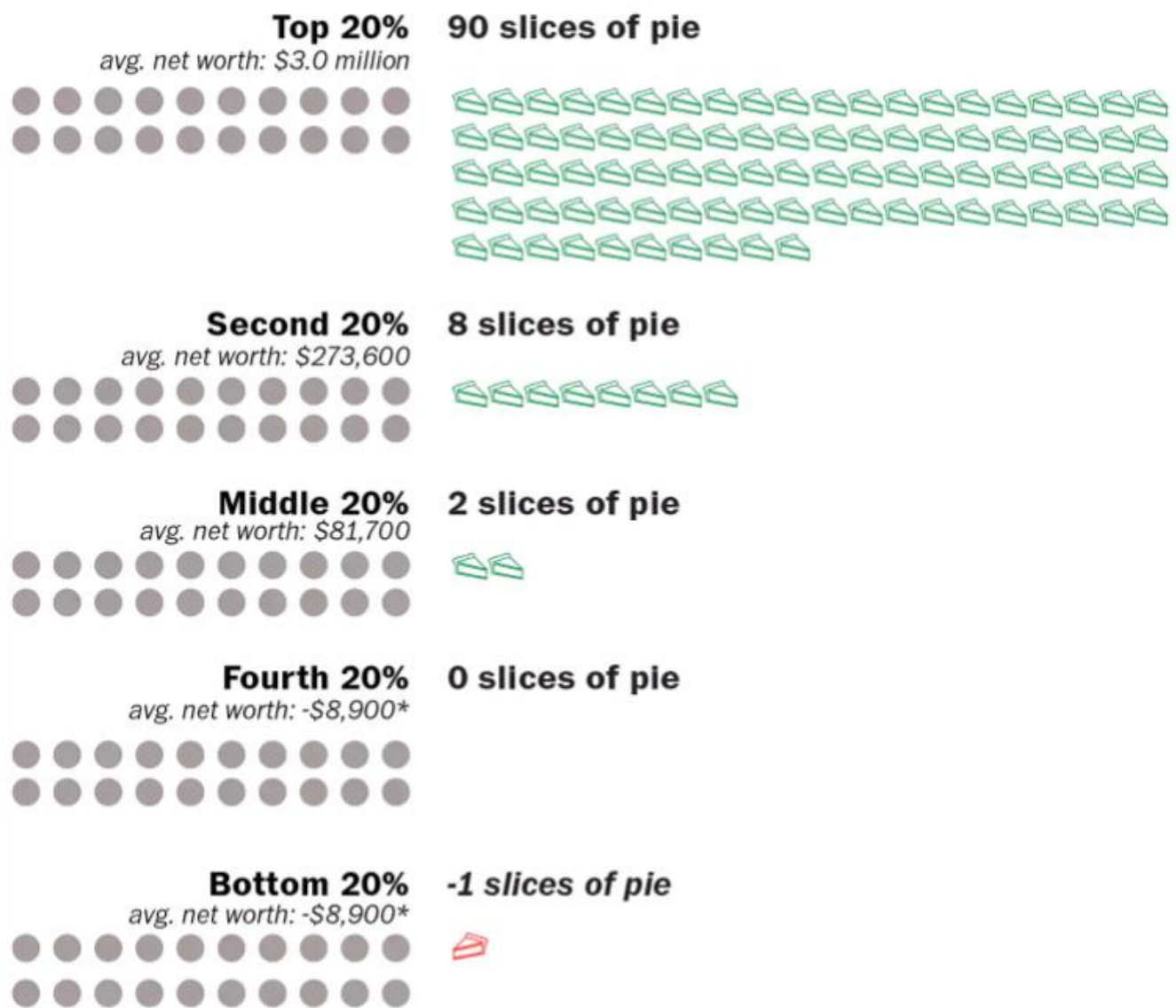


On average, respondents said that in an ideal world the top 20 percent of Americans would get nearly one-third of the pie, the second and middle quintiles would get about 20 percent each, and the bottom two quintiles would get 13 and 11 slices, respectively.

In an ideal world, in other words, the most productive quintile of society would amass roughly three times the wealth of the least productive.

Now, let's take a look at how the pie is actually distributed. These figures come from Wolff's working paper, and he expands on them further in his new book, "A Century of Wealth in America."

Actual pie distribution



There's the top 1 percent, gobbling up an astonishing 40 slices of American pie. The next 4 percent split 27 slices between them, while the next 5 percent take another 12 slices (a little over two slices per person). The bottom 10 percent of the top 20 percent get, on average, one slice of pie each. But don't feel too bad for them: Their net worth is, on average, about \$740,800.

Among rich nations, the United States stands out for the extent of its wealth inequality. The top 1 percent in the U.S. own a much larger share of the country's wealth than the 1 percent elsewhere. The American 1 percent gobble up twice as much pie (40 percent) as the 1 percent in France, the U.K., or Canada, and more than three times as much as the 1 percent in Finland.

Pie around the world

