SEMINARIO

Martedì 3 Giugno 2014, ore 15.00
Bergamo, Via dei Caniana 2 – Aula 22

“Inequality, the Great Recession, and Slow Recovery”

Prof. Steven M. Fazzari
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Abstract
Rising inequality reduced income growth for the bottom 95 percent of the income distribution beginning about 1980, but that group’s consumption growth did not fall proportionally. Instead, lower saving led to increasing balance sheet fragility for the bottom 95 percent, eventually triggering the Great Recession. We decompose consumption and saving across income groups. The consumption-income ratio of the bottom 95 percent fell sharply in the recession, consistent with tighter borrowing constraints. The top 5 percent ratio rose, consistent with consumption smoothing. The inability of the bottom 95 percent to generate adequate demand helps explain the slow recovery.

Il seminario è aperto a tutti gli interessati

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