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Top Incomes and the Gender Divide*

Abstract

In the recent research on top incomes, there has been little discussion of gender. How many of the top 1 and 10 per cent are women? A great deal is known about gender differentials in earnings, but how far does this carry over to the distribution of total incomes, bringing self-employment and capital income into the picture? We investigate the gender divide at the top of the income distribution using tax record data for a sample of eight countries with individual taxation. We show that women are under-represented at the top of the distribution. They account for between a fifth and a third of those in the top 10 per cent. Higher up the income distribution, the proportion is lower, with women constituting between 14 and 22 per cent of the top 1 per cent. The presence of women in the top income groups has generally increased over time, but the rise becomes smaller at the very top.

As a result, the gradient with income has become more marked: the under-representation of women today increases more sharply. Examination of the shape of the income distribution by fitting a Pareto distribution shows that at the end of the period women disappear faster than men as one moves up the income scale in all countries. In this sense, there appears to be something of a “glass ceiling” for women. In the case of Canada, Denmark, Norway and New Zealand, there appears to have been a reversal over time, with the slope of the upper tail having been steeper for women in the past. In seeking to explain this, we highlight the role of income composition, where we show that there have been significant changes over time, underlining the fact that it is not sufficient to look only at earned income.

***with A. B. Atkinson and S. Voitchovsky**

Thursday 26th January
from 1 pm to 2 pm
Campus Luigi Einaudi

Seminar room
3rd floor - building D1
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