




CAPITAL

in the Twenty-First Century



THOMAS PIKETTY

TRANSLATED BY ARTHUR GOLDHAMMER

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TABLE 7.1.
Inequality of labor income across time and space

Share of different groups in total labor income	Low inequality (≈ Scandinavia, 1970s–1980s)	Medium inequality (≈ Europe 2010)	High inequality (≈ US 2010)	Very high inequality (≈ US 2030?)
The top 10% (“upper class”)	20%	25%	35%	45%
Including the top 1% (“dominant class”)	5%	7%	12%	17%
Including the next 9% (“well-to-do class”)	15%	18%	23%	28%
The middle 40% (“middle class”)	45%	45%	40%	35%
The bottom 50% (“lower class”)	35%	30%	25%	20%
Corresponding Gini coefficient (synthetic inequality index)	0.19	0.26	0.36	0.46

Note: In societies where labor income inequality is relatively low (such as in Scandinavian countries in the 1970s–1980s), the top 10% most well paid receive about 20% of total labor income; the bottom 50% least well paid about 35%; the middle 40% about 45%. The corresponding Gini index (a synthetic inequality index with values from 0 to 1) is equal to 0.19. See the online technical appendix.

TABLE 7.2.
Inequality of capital ownership across time and space

Share of different groups in total capital	Low inequality (never observed; ideal society?)	Medium inequality (\approx Scandinavia, 1970s-1980s)	Medium-high inequality (\approx Europe 2010)	High inequality (\approx US 2010)	Very high inequality (\approx Europe 1910)
The top 10% "upper class"	30%	50%	60%	70%	90%
Including the top 1% ("dominant class")	10%	20%	25%	35%	50%
Including the next 9% ("well- to-do class")	20%	30%	35%	35%	40%
The middle 40% ("middle class")	45%	40%	35%	25%	5%
The bottom 50% ("lower class")	25%	10%	5%	5%	5%
Corresponding Gini coefficient (synthetic inequality index)	0.33	0.58	0.67	0.73	0.85

Note: In societies with "medium" inequality of capital ownership (such as Scandinavian countries in the 1970s-1980s), the top 10% richest in wealth own about 50% of aggregate wealth; the bottom 50% poorest about 10%; and the middle 40% about 40%. The corresponding Gini coefficient is equal to 0.58. See the online technical appendix.

TABLE 7.3.
Inequality of total income (labor and capital) across time and space

Share of different groups in total income (labor + capital)	Low inequality (\approx Scandinavia, 1970s-1980s)	Medium inequality (\approx Europe 2010)	High inequality (\approx US 2010, Europe 1910)	Very high inequality (\approx US 2030?)
The top 10% ("upper class")	25%	35%	50%	60%
Including the top 1% ("dominant class")	7%	10%	20%	25%
Including the next 9% ("well-to-do class")	18%	25%	30%	35%
The middle 40% ("middle class")	45%	40%	30%	25%
The bottom 50% ("lower class")	30%	25%	20%	15%
Corresponding Gini coefficient (synthetic inequality index)	0.26	0.36	0.49	0.58

Note: In societies where the inequality of total income is relatively low (such as Scandinavian countries during the 1970s-1980s), the 10% highest incomes receive about 20% of total income; the 50% lowest incomes receive about 30%. The corresponding Gini coefficient is equal to 0.26. See the online technical appendix.