

Inequality and Mobility in lifetime incomes in France*

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Abstract

This paper examines the evolution of lifetime earnings and the associated mobility patterns in France. We use individual data to characterize changes in income dynamics across cohorts born between 1942 and 1960 for which we have complete earnings histories. The data show that after increasing for several cohorts, median incomes have been flat. When we consider men and women separately, we find that both men's and women's earnings have grown during the entire period, moderately for men and somewhat faster for women, but both exhibit similar dynamics. This contrasts with evidence for the US, where flat overall earnings profiles are the result of a decline for men and sharp growth for women. Lifetime earnings inequality exhibits small changes, following a U-shaped pattern but without the marked increase observed in the US. The stability of lifetime inequality seems to be the result of a period of declining dispersion in annual (cross-sectional) earnings and a subsequent increase in earnings mobility. These results point towards both institutions, such as the minimum wage, and social norms related to female participation as important factors in shaping lifetime earnings dispersion and mobility. When we look at more recent cohorts, we find that mobility has fallen considerably, raising the question of whether an increase in lifetime earnings dispersion is starting to take place in France.

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