

# Thomas Blanchet

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## Positions

- 2021–2022 **University of California, Berkeley**  
Post-doctoral researcher.
- Since 2015 **World Inequality Lab, Paris School of Economics**  
Post-doctoral researcher and Coordinator for National Accounts, Statistical Tools and Methods.

## Education

- 2016–2020 **PhD in Economics, Paris School of Economics — EHESS**  
*Essays on the Distribution of Income and Wealth.* Under the supervision of Pr. Thomas Piketty.  
Defended on January 21st, 2020.  
*PhD prize (5000€) for best dissertation awarded by the chancellery of the University of Paris.*
- 2015–2016 **Master in Economics, Paris School of Economics**  
Analysis and Policy in Economics (APE).
- 2012–2016 **Master in Data Science, ENSAE ParisTech**  
Statistics and Machine Learning.

## References

- Thomas Piketty**, *Paris School of Economics*  
[thomas.piketty@psemail.eu](mailto:thomas.piketty@psemail.eu)
- Emmanuel Saez**, *University of California, Berkeley*  
[saez@econ.berkeley.edu](mailto:saez@econ.berkeley.edu)
- Gabriel Zucman**, *University of California, Berkeley*  
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## Job Market Paper

### Uncovering the Dynamics of the Wealth Distribution

*I introduce a new way of decomposing the evolution of the wealth distribution using a simple continuous time stochastic model, which separates the effects of mobility, savings, labor income, rates of return, demography, inheritance, and assortative mating. Based on two results from stochastic calculus, I show that this decomposition is nonparametrically identified and can be estimated based solely on repeated cross-sections of the data. I estimate it in the United States since 1962 using historical data on income, wealth, and demography. I find that the main drivers of the rise of the top 1% wealth share since the 1980s have been, in decreasing level of importance, higher savings at the top, higher rates of return on wealth (essentially in the form of capital gains), and higher labor income inequality. I then use the model to study the effects of wealth taxation. I derive simple formulas for how the tax base reacts to the net-of-tax rate in the long run, which nest insights from several existing models, and can be calibrated using estimable elasticities. In the benchmark calibration, the revenue-maximizing wealth tax rate at the top is high (around 12%), but the revenue collected from the tax is much lower than in the static case.*

## Other Papers

**Real-Time Inequality** with Emmanuel Saez and Gabriel Zucman

### NBER Working Paper #30229

*This paper constructs high-frequency and timely income distributions for the United States. We develop a methodology*

to combine the information contained in high-frequency public data sources—including monthly household and employment surveys, quarterly censuses of employment and wages, and monthly and quarterly national accounts statistics—in a unified framework. This allows us to estimate economic growth by income groups, race, and gender consistent with quarterly releases of GDP growth, and to track the distributional impacts of government policies during and in the aftermath of recessions in real time. We test and successfully validate our methodology by implementing it retrospectively back to 1976. Analyzing the Covid-19 pandemic, we find that all income groups recovered their pre-crisis pretax income level within 20 months of the beginning of the recession. Although the recovery was primarily driven by jobs rather than wage growth, wages experienced significant gains at the bottom of the distribution, highlighting the equalizing effects of tight labor markets. After accounting for taxes and cash transfers, real disposable income for the bottom 50% was 20% higher in 2021 than in 2019, but fell in the beginning of 2022 as the expansion of the welfare state during the pandemic was rolled back. All estimates are available at <http://realtimeinequality.org> and are updated with each quarterly release of the national accounts, within a few hours.

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**Wealth Inequality Dynamics in Europe and the United States: Understanding the Determinants** with Clara Martínez-Toledano

***Journal of Monetary Economics* (conditionally accepted)**

*This paper studies the interaction between the long-term dynamics of aggregate household wealth and the wealth distribution in Europe and the United States. We do so by building the first Distributional Wealth Accounts for Europe, including households' assets, liabilities, investment flows, and the wealth distribution for most European countries from 1970–2020. We find that although aggregate household wealth to income ratios have followed a similar increasing pattern in both Europe and the United States since 1970, wealth concentration has increased much faster in the United States. Using wealth accumulation decompositions and counterfactual simulations, we show that the weaker rise in labor income inequality and the stronger rise in house prices relative to financial assets in Europe versus the United States seem to explain why Europe has experienced a more moderate rise in wealth concentration since the mid-1980s.*

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**Why is Europe Less Unequal than the United States?** with Lucas Chancel and Amory Gethin

***American Economic Journal: Applied Economics*, 2022, 14 (4): 480-518.**

*We combine all available household surveys, income tax and national accounts data in a systematic manner to produce comparable pretax and posttax income inequality series in 38 European countries between 1980 and 2017. Our estimates are consistent with macroeconomic growth rates and comparable with US Distributional National Accounts. We find that inequalities rose in most European countries since 1980 both before and after taxes, but much less than in the US. Between 1980 and 2017, the European top 1% pretax income share rose from 8% to 11% while it rose from 10.5% to 21% in the US. Europe's lower inequality levels are mainly explained by a more equal distribution of pretax incomes rather than by more equalizing taxes and transfers systems. "Predistribution" is found to play a much larger role in explaining Europe's relative resistance to inequality than "redistribution": it accounts for between two-thirds and ninety percent of the current inequality gap between the two regions.*

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**The Weight of the Rich: Improving Surveys Using Tax Data** with Marc Morgan and Ignacio Flores

***Journal of Economic Inequality*, 2022**

*Household surveys fail to capture the top tail of income and wealth distributions, as evidenced by studies based on tax data. Yet to date there is no consensus on how to best reconcile both sources of information. This paper presents a novel method, rooted in calibration theory, which helps to solve the problem under reasonable assumptions. It has the advantage of endogenously determining a "merging point" between the datasets before modifying weights along the entire distribution and replacing new observations beyond the survey's original support. We provide simulations of the method and applications to real data. The former demonstrate that our method improves the accuracy and precision of distributional estimates, even under extreme assumptions, and in comparison to other survey correction methods using external data. The empirical applications provide useful and coherent illustrations in a wide variety of contexts. Results show that not only can income inequality levels change, but also trends. Given that our method preserves the multivariate distributions of survey variables, it provides a more representative framework for researchers to explore the socio-economic dimensions of inequality, as well as to study other related topics, such as fiscal incidence.*

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## Generalized Pareto Curves: Theory and Applications with Juliette Fournier and Thomas Piketty

### Review of *Income and Wealth*, 2022, 68: 263-288

We define generalized Pareto curves as the curve of inverted Pareto coefficients  $b(p)$ , where  $b(p)$  is the ratio between average income or wealth above rank  $p$  and the  $p$ -th quantile  $Q(p)$  (i.e.  $b(p) = \mathbb{E}[X|X > Q(p)]/Q(p)$ ). We use them to characterize entire distributions, including places like the top where power laws are a good description, and places further down where they are not. We develop a method to flexibly recover the entire distribution based on tabulated income or wealth data as is generally available from tax authorities, which produces smooth and realistic shapes of generalized Pareto curves. Using detailed tabulations from quasi-exhaustive tax data, we demonstrate the precision of our method both empirically and analytically. It gives better results than the most commonly used interpolation techniques.

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### Languages

French **Native speaker**

English **Fluent** — TOEIC 985/990

German **Basic**

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### Other Activities

#### Software Development

- `gpinter` R package and interface to apply generalized Pareto interpolation (Blanchet, Fournier and Piketty, 2018).
- `bfmcorr` Stata command to apply the survey correction method of Blanchet, Flores and Morgan (2019).
- `wid` Stata command and R package to download data from the World Inequality Database.
- `enforce` Stata command to enforce accounting identities between variables.

#### Refereeing Activity

*Review of Economics and Statistics, American Economic Journal: Applied, Journal of Public Economics, Journal of Economic Inequality, Review of Income and Wealth, Journal of Applied Econometrics, Economics Letters*

#### Conferences and Seminars

- 2022 Public Finance Seminar at UC Berkeley; **NBER Public Economics Spring Meeting; Carnegie–Rochester–NYU Conference on Public Policy; NBER Summer Institute (Income Distribution and Macroeconomics); International Institute of Public Finance (IIPF) conference.**
- 2021 Fourgeaud Seminar (French Ministry of Finance); **International Institute of Public Finance (IIPF) conference**; 2nd WID.world conference at the Paris School of Economics.
- 2020 Jéco (French Economic Days, Organized by the Foundation for the University of Lyon).
- 2019 OECD Employment, Labour and Social Affairs seminar; Applied Economics Seminar at the Paris School of Economics; 8th ECINEQ Meeting at the Paris School of Economics.
- 2018 Applied Economics Seminar at the Paris School of Economics; Aix-Marseille School of Economics; **2018 AEA Annual Meeting, session on Global Inequality.**
- 2017 Applied Economics Seminar at the Paris School of Economics; 1st WID.world conference at the Paris School of Economics.