

Lifetime incomes and their distribution in Germany

Giacomo Corneo
Freie Universität Berlin

Abstract

Studying lifetime income inequality for individuals who belong to the same cohort contributes insights that cannot be obtained by analyses of annual incomes. Data from the social security system indicates that in West Germany, over the cohorts born between 1935 and 1972, lifetime earnings inequality has strongly increased. For male baby-boomers, lifetime market inequality is predicted to be 85 % larger than in the case of their fathers. The incidence of the tax-transfer system has increased over the older cohorts and remained fairly stable over the younger cohorts. Real disposable lifetime income of younger cohorts is at best stagnating.