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4. Decomposition of Expenditures and Consumption by Quintile
Appendix Figures; 1. Robustness of Baseline Inequality Results to Sample and Lags; 2. Robustness of Baseline Inequality Results to Econometric Approach; 3. Robustness of Baseline Inequality Results to Controlling for Household Size, Observables, and Hours; 4. Robustness of Earnings Responses by Percentiles; 5. Contribution of Monetary Policy Shocks to Variance of Macroeconomic Variables; 6. Distributional Effects by Percentile of Inflation Target Increases

Sommario/riassunto

We study the effects and historical contribution of monetary policy shocks to consumption and income inequality in the United States since 1980. Contractionary monetary policy actions systematically increase inequality in labor earnings, total income, consumption and total expenditures. Furthermore, monetary shocks can account for a significant component of the historical cyclical variation in income and consumption inequality. Using detailed micro-level data on income and consumption, we document the different channels via which monetary policy shocks affect inequality, as well as how these channels depend on the nature of the change in monetary policy.
