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Wealth inequality and Covid-19 in the U.S.: evidence from the distributional financial accounts¹

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¹ This presentation was prepared for the conference. The views expressed are those of the authors and do not necessarily reflect the views of the BIS, the IFC or the central banks and other institutions represented at the event.

Wealth Inequality and COVID-19 in the U.S.

Evidence from the Distributional Financial Accounts¹

Mike Batty, Ella Deeken, Elizabeth Holmquist and Alice Henriques Volz

Abstract

There have been many questions about how different U.S. household groups have fared economically through the severe disruption of the COVID-19 pandemic. Using the Distributional Financial Accounts (DFAs), we consider how household wealth has evolved in this turbulent time. However, the unprecedented events of the pandemic give reason to question the relevance of the historical relationships used for the last two years in the DFAs, particularly due to the vast amount of fiscal support and reduced consumption that resulted in significant excess savings, particularly in the early quarters of the pandemic. We examine a few alternate scenarios for how the increase in deposits may be allocated, providing plausible bounds for the household wealth distribution for recent quarters. We find that the effects of alternative distributions of deposits on the overall wealth distribution are small but does modestly alter the estimates of changes in wealth experienced by less affluent households.

Keywords: Wealth Distribution, Wealth, Pandemic

JEL classification: D31

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¹ This is an update to the FEDS Note "Wealth Inequality and COVID-19: Evidence from the Distributional Financial Accounts" by Batty, Deeken, and Volz published August 30, 2021 by the Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/2380-7172.2980>. Special thanks to Harrison Karp for assistance with data and exhibit preparation.

Introduction

The COVID-19 pandemic severely disrupted a wide range of economic activity, while leaving some economic activities remarkably resilient despite extraordinary restrictions placed on our physical interactions. The unique pattern of income losses, early spending reductions and substitutions, and government relief have raised many questions about how different household groups fared economically. This note discusses how household wealth may have evolved over the COVID-19 pandemic. We first describe how aggregate household wealth, as reported in the Financial Accounts of the United States (FA), changed since the pandemic began. Next, we discuss how these changes in wealth are apportioned across the distribution in the Distributional Financial Accounts (DFA), which use historical relationships between macroeconomic aggregates and micro survey distributions to extrapolate from the distribution of wealth measured by the 2019 Survey of Consumer Finances. However, the unprecedented events of the pandemic give reason to question the relevance of these historical relationships in this period. The DFA projections do not explicitly take the unique circumstances into account; for example, they do not consider the vast amount of fiscal support and reduced consumption that has resulted in a significant amount of excess savings, particularly in the earliest quarters of the pandemic. Since we do not directly observe the distribution of savings after the 2019 SCF, we estimate the amount of excess savings that occurred and present a few alternate scenarios for its distribution, thus producing plausible bounds for the distribution of household wealth in the quarters since.²

Aggregate Household Wealth during COVID-19

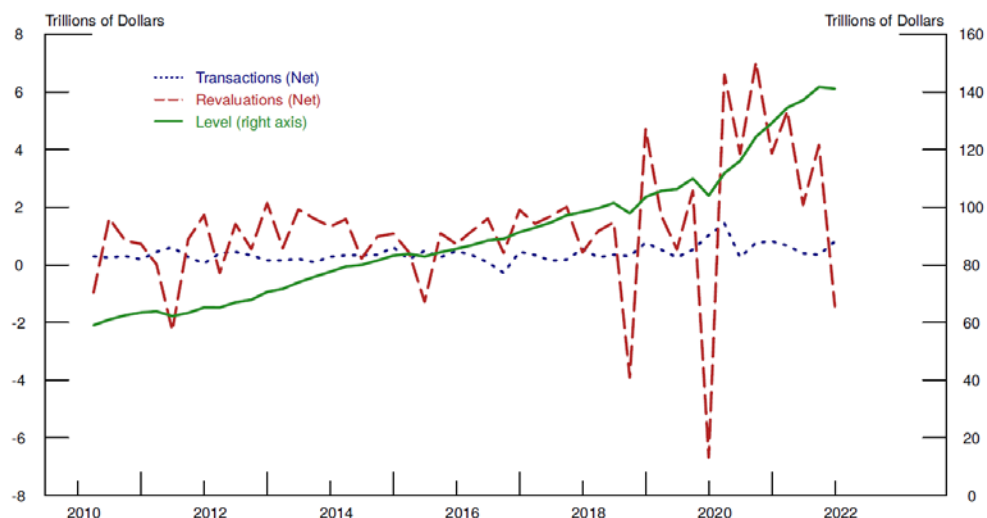
Despite the fall in equity markets that drove a sharp decline in household wealth in 2020:Q1, equity prices rebounded quickly after the Federal Reserve, U.S. Treasury, and Congress took steps to stabilize financial markets and the economy, and house prices began to increase rapidly. Even though 2022 has seen equity markets retrace some of their prior gains, as of 2022:Q1, household wealth has increased \$31 trillion since the beginning of 2020. This 28% gain was driven by asset accumulation much more than by debt paydown.³ Further, asset-price increases ("revaluations") were the dominant source of wealth accumulation, accounting for nearly 80% (Figure 1). Equity performance was strong through 2021:Q4, following the pandemic-related crash in 2020:Q1, producing a net gain of 47% for the Dow Jones U.S. Total Stock Market Index over the seven quarters; however, global tensions, inflation concerns, and rising interest rates reversed some of these gains in 2022:Q1. Real estate valuations have also risen strongly since the beginning of 2020, which contributed 93% of the 32% increase in household real estate holdings, a trend that continued into 2022:Q1.⁴

² Excess savings may have elevated balances in other assets, but the evidence thus far suggests that vast majority of excess savings by households resides in deposit accounts.

³ Although there was some reduction in household credit card debt through 2020, mortgage debt did not decrease, likely due to strong refinance activity and rising house prices (Barnes et al, 2022.).

⁴ The valuation model is based upon sales data from Zillow. For more details, see, "A New Measure of Housing Wealth in the Financial Accounts of the United States" by Hall, Nielsen, and Sommer (2018).

Figure 1. Level and Change in Aggregate Household Net Worth



Note: The level of household net worth is plotted on the right axis, and the major sources of wealth change are plotted on the left axis. Transactions represent the net savings from flows into and out of each asset and liability. Revaluations represent the effect of changes in market price. Omitted from this figure are other changes in volume, which typically account for a much smaller portion of wealth change and capture things like changes in methodology or the destruction of real assets.

Source: Financial Accounts of the United States, June 9, 2022.

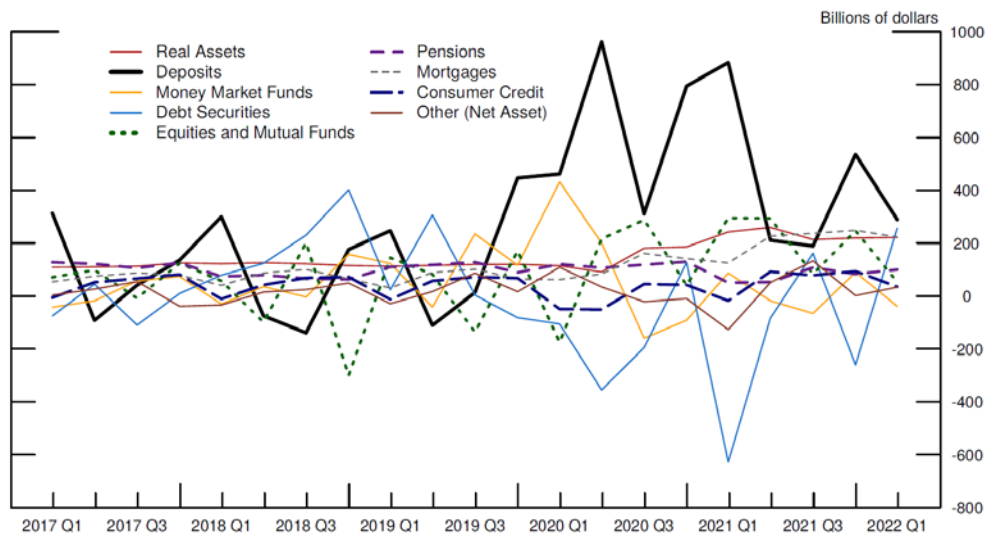
Although not the primary contributor to the aggregate gain in wealth, savings ("net transactions") also surged during the pandemic.⁵ This increase in savings reflects the resilience of certain sectors of the economy, reduced consumption, and the large amount of fiscal relief and debt forbearance provided by the government.⁶ Notably, increased household savings largely flowed to deposits, which saw unprecedented gains (Figure 2). In contrast, net transactions for other assets and liabilities were within their recent historical ranges through 2020 and beyond. Equities and real estate had somewhat elevated transactions in 2021 but remained far below those for deposits.⁷

⁵ More formally, savings here can be defined as the net acquisition of assets less the net incurrence of liabilities.

⁶ The CARES Act provided fiscal support in 2020, and the Omnibus Appropriations and Coronavirus Relief Package and the American Rescue Plan provided support in 2021. The Paycheck Protection Program which provided forgivable loans to eligible businesses and forbearance programs that allowed the borrowers to pause on payment on federally backed mortgages and student loans also supported increased savings for some households.

⁷ Transactions for debt securities are calculated as a relatively small residual (roughly ten percent) from the total issuance and holdings of other sectors. Thus, modest measurement error in these other sectors can have a significant effect on households, which likely explains the heightened volatility of that series.

Figure 2. Aggregate Net Transactions by Household Asset and Liability



Note: Figure 2 breaks down the transactions shown in Figure 1 by major asset and liability category.
Source: Financial Accounts of the United States, June 9, 2022.

DFA Results during COVID-19

The aggregate changes in household wealth provide a useful lens through which to analyze the DFA estimates during COVID-19.⁸ The net transactions for assets that account for almost all the wealth gained through market price increases—corporate equities, mutual funds, pensions, and real estate—have not been elevated through most of the pandemic, and they were significantly lower than their respective net revaluations. Thus, the distributions for these assets measured in the 2019 SCF are likely still informative, and there is little reason to expect the DFA apportionment of the price-driven gains since 2020:Q1 would be substantially biased.⁹ In contrast, the DFA models have no relevant historical precedent for the large inflows of deposits that were influenced by pandemic-specific factors. In this section, we describe the recent evolution of the wealth distribution as estimated by the DFA and turn to alternate distributions of deposits in the next section.

We begin by reviewing the balance sheet composition across the distribution. In 2019:Q4, approximately half of the assets held by households in the bottom half of the wealth distribution ("Bottom 50") were real estate, with pensions and durables

⁸ For a description of the DFA methodology, see <https://www.nber.org/books-and-chapters/measuring-distribution-and-mobility-income-and-wealth/distributional-financial-accounts-united-states>

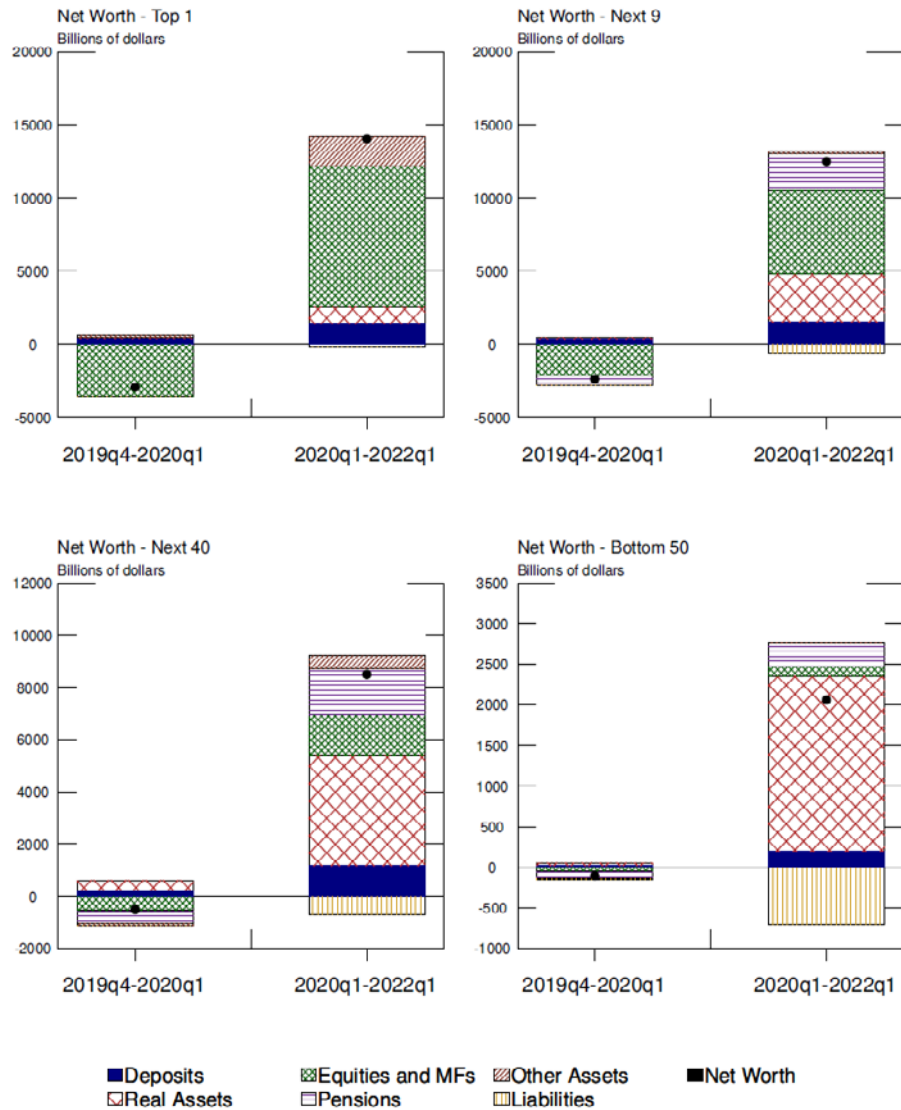
⁹ Even though the amounts of transactions for these assets were affected by the pandemic much less than those for deposits, it is possible that their distributions were atypical. However, given that these transactions were small compared to both the levels and the revaluations for these assets, the effect on their overall distributions would be muted. Note, the Financial Accounts does not show intra-sector transactions, and thus would not reveal if the pandemic caused a large increase in asset sales between households. More granular transactions data suggest this likely does not materially bias the DFA. According to the National Association of Realtors, existing home sales increased 5.6% in 2020, which is less than the increase in real estate transactions in the Financial Accounts. Similarly, trading volumes on the NYSE increased in 2020 over 2019 by a smaller amount than the increase in net transactions of household's corporate equities and mutual funds in the Financial Accounts.

each comprising less than 20%. Liquid assets were less than 10% of Bottom 50 assets. In contrast, for those in the top one percent ("Top 1") and families between the 90th and 99th percentile of the wealth distribution ("Next 9"), real estate comprises less than 20%, while equities and mutual fund shares are nearly one third of asset portfolios, rising to nearly one half at the top of the distribution. Pensions are approximately 30% of assets for the Next 9.

Wealth levels fell for all groups in the wealth distribution in 2020:Q1. The decline was almost all due to the stock market revaluations, which mostly operate through corporate equity and mutual funds but also through the defined contribution plans included in pension entitlements.¹⁰ Due to their greater exposure to equity markets, the Top 1 and Next 9 lost 9 and 6 percent of their wealth in 2020:Q1, respectively, whereas the "Next 40" (households between the 50th and 90th percentiles) and the Bottom 50 lost 2 and 5 percent.

¹⁰ Pension entitlements include both 401(k)-type accounts and defined benefit accumulations, but not individual retirement accounts (IRAs) with 401(k)-type accounts directly affected by revaluations.

Figure 3. Change in Net Worth by Wealth Group, by Asset and Liability Type



Source: Distributional Financial Accounts, June 17, 2022.

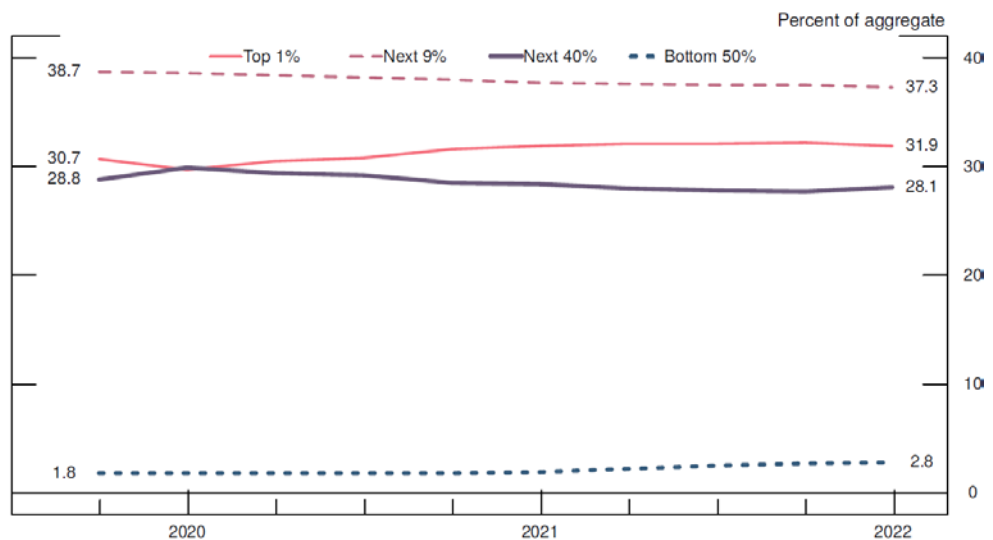
After the 2020:Q1 decline, all wealth groups saw gains during the “Rebound” (the net change between 2020:Q1 and 2022:Q1). Stocks recovered quickly and then surpassed previous highs (before slipping in the latest quarter). These market movements drove rapid increases in wealth for the top 10 percent of the wealth distribution. For the Top 1, nearly 70% of total wealth gain in the Rebound is from corporate equities, while equities made up about half of the gains for the Next 9. For the Next 9, increases in pension entitlements was an additional 20% of their total wealth gain. The combination of pensions and equities were also a large driver of asset increases for the Next 40, making up nearly 40%. This share falls to 20% for the Bottom 50. It is also important to note, however, that a minority of the Bottom 50 benefitted from rising stock market prices since only one-third of these households own any public equity.¹¹

¹¹ Including exposure to equities held through defined contribution pension plans.

Real estate assets were also a major contributor to wealth gains, as house prices rose more than 35 percent, accelerating beginning in 2020:Q3 and continuing into early 2022. However, compared with corporate equities, housing is a relatively small piece of the Rebound, making up about a quarter of the total net revaluations. That said, real estate assets comprise the majority of assets for the Bottom 50; thus, the strong house price growth is the largest driver of wealth gains for that group, accounting for almost 80% of their gains. However, these wealth gains are not evenly spread across that group as only 40% of Bottom 50 own their home.

Since the SCF reveals that the Bottom 50 consistently holds a larger share of deposits than they do other non-pension financial assets, the large increase in their checking and savings balances also contributed meaningfully to wealth gains for the Bottom 50 as projected in the DFA. Between 2019:Q4 and 2022:Q1, the Bottom 50 groups' holdings of deposits grew by more than 50% and increased as a proportion of non-pension financial assets from 33% to 41%. Overall, the wealth of the Bottom 50 doubled from 2019:Q4 levels, which is about 65 percentage points more than any other wealth group. However, since their wealth share is quite small, they received only 6% of the total wealth gain during the pandemic.

Figure 4. Net Worth Shares by Wealth Group



Source: Distributional Financial Accounts, June 17, 2022.

In total, changes in the concentration of wealth were not large in magnitude. Consistent with Bricker et al. (2022), the share of wealth going to the Top 1% moved procyclically, increasing 2.2 percentage points in the Rebound period after falling 1.1 percentage points in 2020:Q1. Despite their wealth growing at the fastest pace, the small wealth level for the Bottom 50 resulted in their share only increasing by 1.0 percentage points between 2019:Q4 and 2022:Q1.

In the DFA, the concentration of wealth across the income distribution was also not substantially reshaped in the pandemic. However, in contrast to the lower wealth households, lower income households saw somewhat slower wealth growth compared to higher income households. The bottom 40 percent of the income distribution (Bottom 40) and the middle quintile group (families between the 40th and 60th percentiles) experienced growth of about 28% over the rebound and recovery period after only small decline in 2020:Q1. Meanwhile, the top 20 percent

group by income and households in the 60th to 80th percentiles of the income distribution experienced growth of 36% and 41%, respectively. The primary difference between the DFA projections for the bottom wealth and income groups is how the models, based upon historical data, allocate the large increases in deposits. Specifically, they project a slight increase in the share of deposits for the Bottom 50 percent of the wealth distribution but a slight decrease in the share for the Bottom 40 income group. This highlights both how the distributions of wealth and income are distinct, but also the challenges of modelling excess savings during the pandemic, which we turn to in the next section.

While we use the DFA as the starting point for studying wealth during COVID-19, we acknowledge there are major aspects of the pandemic for which the DFA estimation approach does not account. To begin to explore this uncertainty, it is useful to evaluate what portion of the DFA estimates come from assets and liabilities that are most likely still represented accurately in these abnormal times. Seeing that transaction volumes for assets and liabilities other than deposits were not considerably abnormal after 2019, we assume that there was little active rebalancing of portfolios by households (i.e. the 2019 SCF provides a valid description for these assets). Further, 74% of total wealth gain since 2019:Q4 was from the revaluations of real estate and corporate equities. This grows to 97% when including pensions and business wealth, which were also driven by stock market and real estate market movements, respectively, since 2019:Q4. This suggests we should have greater confidence in the DFA results for groups whose portfolios were comprised of more of these assets in the 2019 SCF. The Top 1 percent of the wealth distribution held around 80% of their assets in equities, businesses, pensions, and real estate in 2019, but this falls to 69% for the Bottom 50. The pattern across the income distribution is similar.

Alternative Distributions of Excess Savings

We now turn to exploring how the true evolution of the wealth distribution during the pandemic may deviate from the DFA projections. The net effect of the pandemic-specific factors on the distribution of savings is unclear. For example, the categories of spending that declined the most during the early lockdowns, such as travel and entertainment, are skewed towards affluent households (Bureau of Labor Statistics, 2022). Further, many of the service sector jobs most disrupted by COVID-19 pay relatively low wages. However, the replacement rates provided by expanded unemployment insurance were often above 100% for lower income workers (Ganong, Noel, and Vavra, 2020), and the Economic Impact Payments phased out for couples earning more than \$150,000.

Our goal in this section is to gauge how this uncertainty might alter the DFA measurement of the wealth distribution as of 2022:Q1. To do so, we estimate how much of household savings stemmed from pandemic-specific factors ("excess savings"), run the DFA models without these excess savings, and then study the range of outcomes when the excess savings are distributed under alternative scenarios.

As a starting point, we define excess savings as the net increase in asset and liability transactions over the rate for 2019, which accumulates to \$1.8 trillion from 2020:Q1-2022:Q1, with the great majority of the accumulation occurring in 2020.¹²

Our estimates for 2020 are similar in magnitude to others, such as Blanchard (2021), Briggs and Mericle (2021), and Aladangady et al. (2022) who also study this period. Figure 2 strongly suggests that the vast majority of excess savings flowed into bank accounts rather than were used to pay down debt or were otherwise invested (for additional evidence, see Briggs and Mericle, 2021). Thus, for our counterfactual DFA, we subtract the quarterly estimates of excess savings from the levels of savings and checking deposits. To complete the exercise, we add the excess savings to deposits under three alternative distribution scenarios: 1) roughly halfway between an equal distribution and the baseline DFA, which is heavily skewed towards the wealthy, 2) equal across the population, and 3) entirely to the bottom 50% of the wealth and income distributions. We construct these scenarios for each quarter, and aggregate across the pandemic to present them in Table 1, along with the baseline DFA increase [from the previous section] in deposits for comparison. Briggs and Mericle (2021) use the limited, available data to distribute the spending cuts, income losses, and government support to quintiles of the income distribution. They find that although excess savings was far from equally distributed, it was considerably less skewed to the top than is estimated by the baseline DFA. Greig, Deadman, and Noel (2021) come to a similar conclusion studying the account balances of JP Morgan Chase banking customers. Thus, we view the "somewhat equal" scenario as the most realistic, but we include the others, particularly the unrealistic, "all to the bottom 50%" scenario to establish plausible bounds.

Table 1. Alternative Distribution Scenarios for Excess Savings

Distribution of 2022:Q1 Excess Savings	DFA	Somewhat Equally Distributed	Equally Distributed	All to the Bottom 50%
Wealth Group				
Top 1	32%	8.6%	1%	0%
Next 9	32.2%	16.3%	9%	0%
Next 40	28.3%	38.6%	40%	0%
Bottom 50	4.5%	36.4%	50%	100%
Income Group				
99-100	29.9%	8.1%	1%	0%
80-99	37.8%	24.3%	19%	0%
60-80	17.5%	21.3%	20%	0%
40-60	9.7%	17.4%	20%	0%

¹² We use the 2019 transactions as the counterfactual for simplicity, and because it aligns well with other estimates of excess savings for this period. If we instead project the counterfactual using the positive, but insignificant, trend in net transactions between 2016 and 2019, the excess savings would fall to \$1.2 trillion, and the results below would roughly scale accordingly. The \$1.8 trillion of excess savings is a net effect of a \$2.39 trillion increase in asset inflows, less a \$553 billion increase in liability inflows. Although we run the counterfactual through the latest period, 2022:Q1, we note that the greatest deposit inflows (excess savings) occurred in the first half of 2020.

0-40	5.1%	29%	40%	100%
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Tables 2 and 3 present the results. The first takeaway is that the significant amount of excess savings did not substantially reshape the wealth distribution. Even under the extreme assumption that all excess savings went to the bottom 50%, the gains in the wealth share of the bottom wealth and income groups are very small compared to the degree of wealth inequality. Although there was a large increase in savings during the pandemic, it was somewhat overshadowed by large price increases in asset classes that are heavily skewed towards the wealthy and remains small compared to the level of household wealth.

Table 2. Net Worth Shares and Growth Rates by Wealth Group

Net Worth Shares	DFA 2019:Q4	DFA 2022:Q1	Somewhat Equally Distributed	Equally Distributed	All to the Bottom 50%
Wealth Group					
Top 1	30.7%	31.8%	31.4%	31.3%	31.3%
Next 9	38.7%	37.3%	37.1%	37.0%	36.9%
Next 40	28.8%	28.1%	28.3%	28.3%	27.8%
Bottom 50	1.8%	2.8%	3.2%	3.4%	4.0%
Net Worth Growth Rate:					
Wealth Group					
Top 1		32.9%	31.3%	30.9%	30.8%
Next 9		23.8%	23.0%	22.7%	22.3%
Next 40		25.3%	26.2%	26.2%	23.9%
Bottom 50		99.4%	129.5%	142.1%	188.8%

Table 3. Net Worth Shares and Growth Rates by Income Group

Net Worth Shares	DFA 2019:Q4	DFA 2022:Q1	Somewhat Equally Distributed	Equally Distributed	All to the Bottom 50%
Income Group					
99-100	25.1%	26.8%	26.9%	26.9%	26.8%
80-99	45.2%	43.1%	43.4%	43.4%	43.1%
60-80	15.0%	15.5%	15.8%	15.8%	15.5%
40-60	7.5%	7.4%	7.6%	7.7%	7.7%
0-40	7.3%	7.1%	7.5%	7.6%	8.2%
Annual Net Worth Growth Rate:					
Income Group					
99-100		37.4%	38.0%	37.5%	37.4%
80-99		22.6%	23.5%	23.3%	22.6%
60-80		32.6%	34.9%	34.8%	32.6%

40-60	26.9%	30.8%	31.4%	31.4%
0-40	25.9%	32.6%	35.1%	44.4%

In the baseline DFA, wealth for the bottom of the wealth distribution grew at the fastest rate, followed by that of the Top 1. Our alternative scenarios for excess savings do little to alter that conclusion. However, due to their low levels of wealth, this exercise reveals nontrivial uncertainty in the growth rate of wealth held by the bottom half of the wealth distribution. The DFA shows wealth for the Bottom 50 growing by 99% in the pandemic, which increases to 130% in our preferred "somewhat equal" excess savings scenario, 140% if excess savings were equally distributed, and 189% if the savings all went to the bottom. On a per household basis, wealth of the Bottom 50 increased from \$31,000 in 2019Q4, to \$60,000, \$69,000, \$73,000, and \$86,000 in 2022Q1 under the DFA and three alternative scenarios. Thus, although there is material uncertainty in the evolution of wealth for the Bottom 50 during the pandemic, the qualitative finding of rapid wealth growth for the Bottom 50 relative to other groups holds for the DFA and the alternative scenarios.

When segmenting the population by income, this exercise again reveals little variation in the rate of wealth gain for the top of 60 percent of the distribution, but some uncertainty for the Bottom 40 percent. However, the range of plausible growth rates for the Bottom 40 of income is lower than that for wealth because per household wealth levels for the lower income groups are substantially higher than for the bottom half of the wealth distribution.

Conclusion

The distribution of wealth has been relatively stable recently despite the massive economic upheaval caused by the COVID-19 pandemic. This is true both in the baseline DFA estimates and in our alternative scenarios for the distribution of excess savings. The stability of the wealth distribution stems from the fact that most of the wealth gained comes from appreciation of assets that were heavily concentrated before the pandemic. The gains on these assets were so large that they dwarf the historic increase in household savings that also occurred and leave limited margin for the uncertainty of the distribution of excess savings to alter the overall wealth distribution. Our simulation exercise also reveals the challenges of relying upon historical relationships to model the wealth distribution during unprecedented circumstances. Since it has no information about the distributional patterns of income loss, early spending declines, or the government response, the DFA likely assigns too much of the large increase in savings to high wealth and income households. Although the effects on the overall wealth distribution are small, the uncertainty due to the pandemic does modestly alter the estimates of changes in wealth experienced by less affluent households. In particular, our exposition of the alternate distributions of excess savings highlights the significance of the government response in supporting economic well-being of low wealth and income households. Now, as the final government stimulus checks dried up with the end of 2021 and consumers face higher prices due to inflation in 2022, a new set of considerations surround the potential drawdown in savings that may follow.

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Wealth Inequality and COVID- 19 in the US

EVIDENCE FROM THE
DISTRIBUTIONAL FINANCIAL
ACCOUNTS

Note: The analysis and conclusions set forth are those of the authors and do not indicate concurrence by other members of the research staff, the Board of Governors, or the Federal Reserve System.

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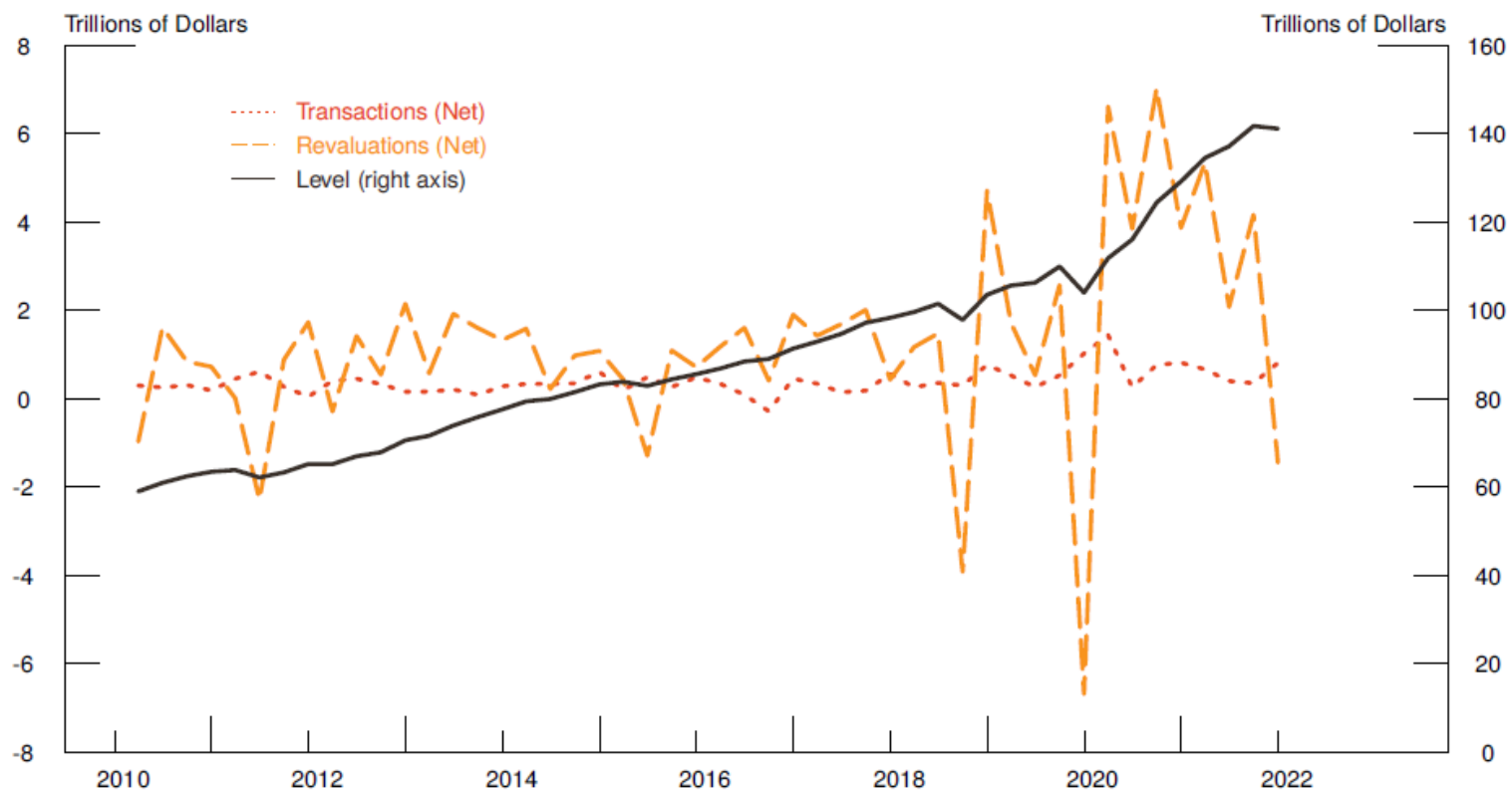
Outline

1. Changes in aggregate household wealth during the COVID-19 pandemic
2. The composition and distribution of wealth over COVID-19 using the Distributional Financial Accounts
3. Implications of pandemic-driven excess savings on the distribution of wealth
4. Conclusion

U.S. Households gained \$31 trillion since 2019

- Revaluations account for nearly 80% of wealth creation
- Equity markets rebounded strongly after the 2020:Q1 crash
- Real estate price growth accelerated in 2020:H2

Level and Change in Aggregate U.S. Household Net Worth

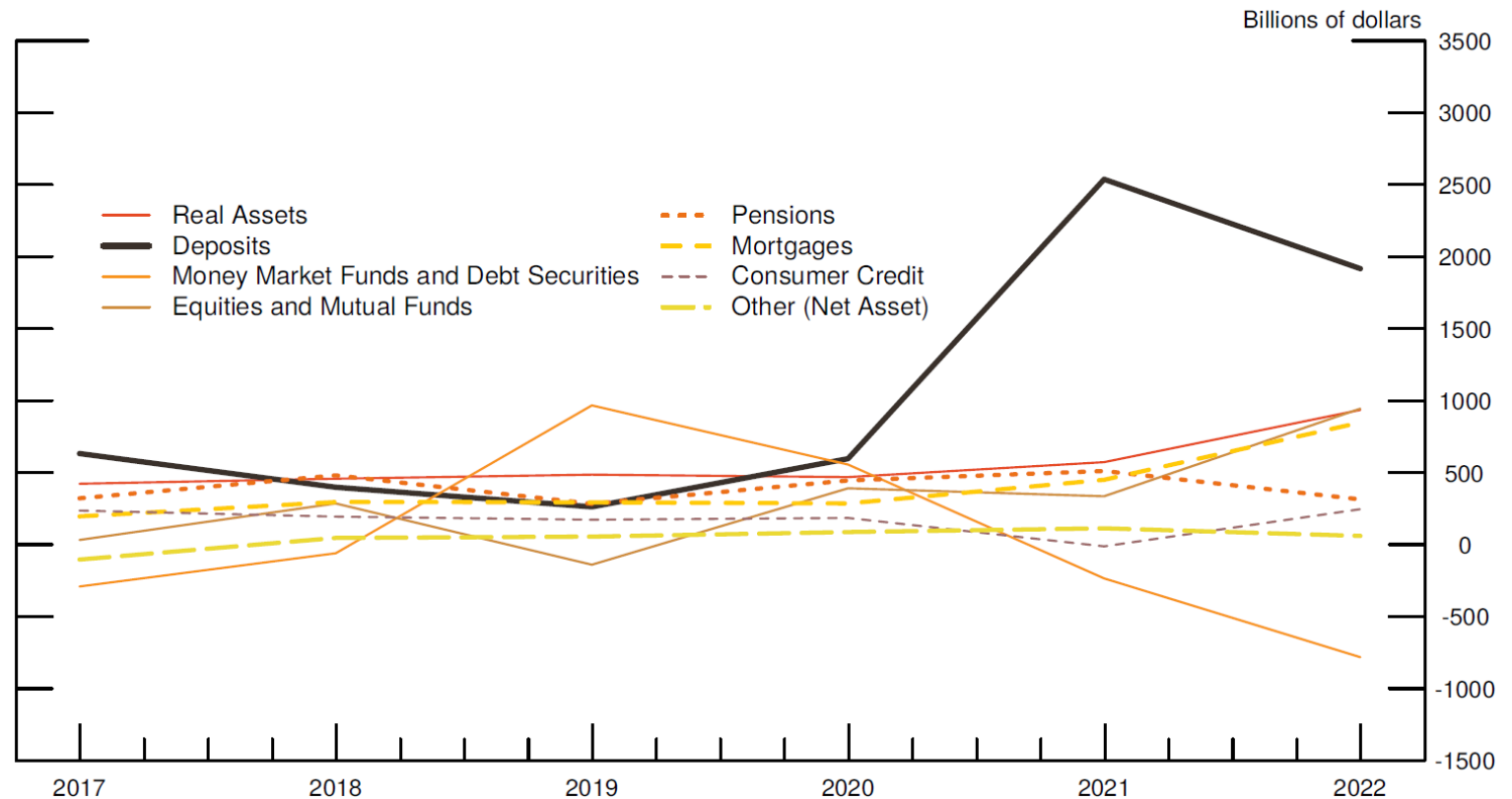


Note: Other changes in volume, which account for a much smaller portion of wealth change, are omitted.
Source: Financial Accounts of the United States, June 9, 2022.

Household savings also surged during the pandemic

- Resilience in certain sectors of the economy, reduced consumption, and large amounts of fiscal relief fueled savings
- Increased savings largely flowed to deposits, which saw unprecedented gains in net transactions over the pandemic

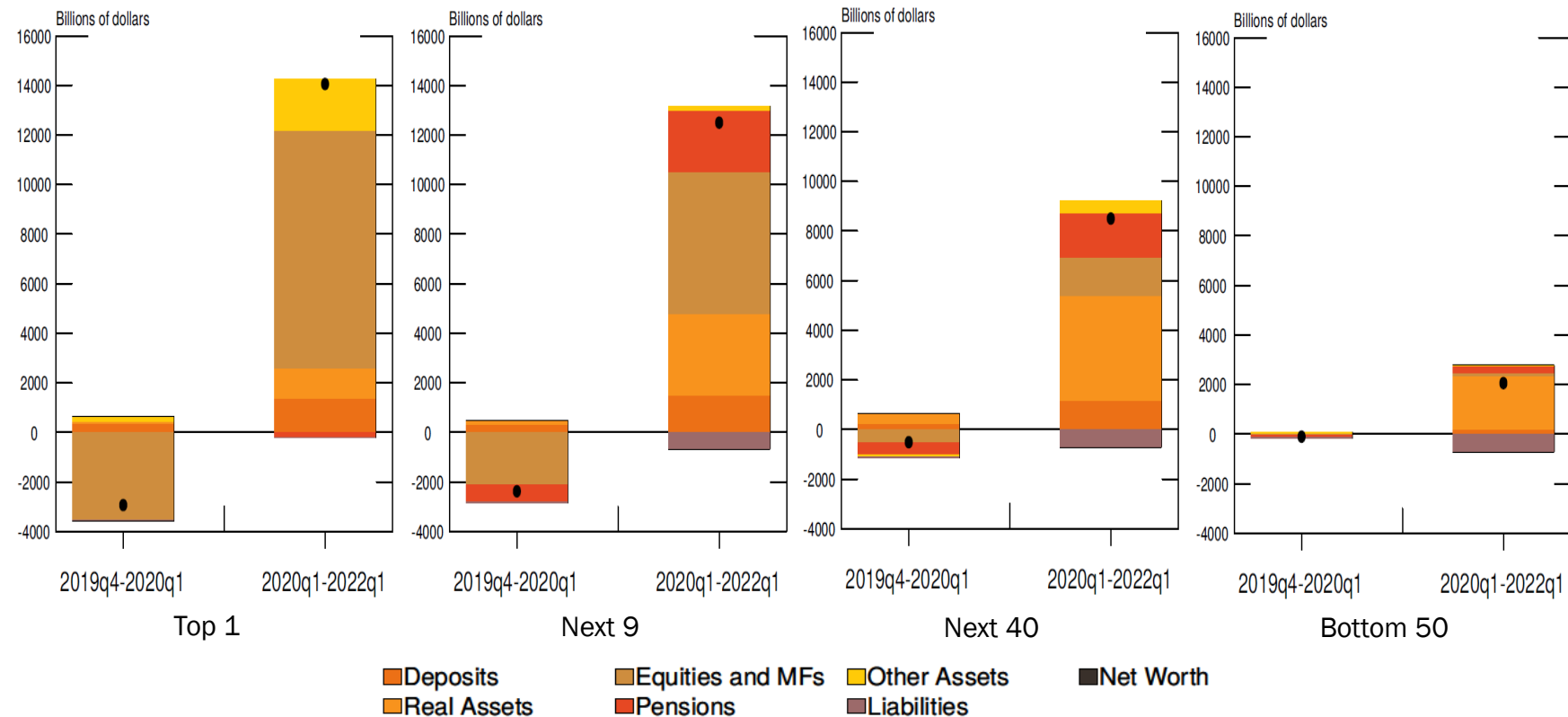
Aggregate Net Transactions by Household Asset and Liability



Source: Financial Accounts of the United States, June 9, 2022.

Change in Net Worth by Wealth Group

Change in Net Worth by Asset and Liability Type



Change in Net Worth Shares

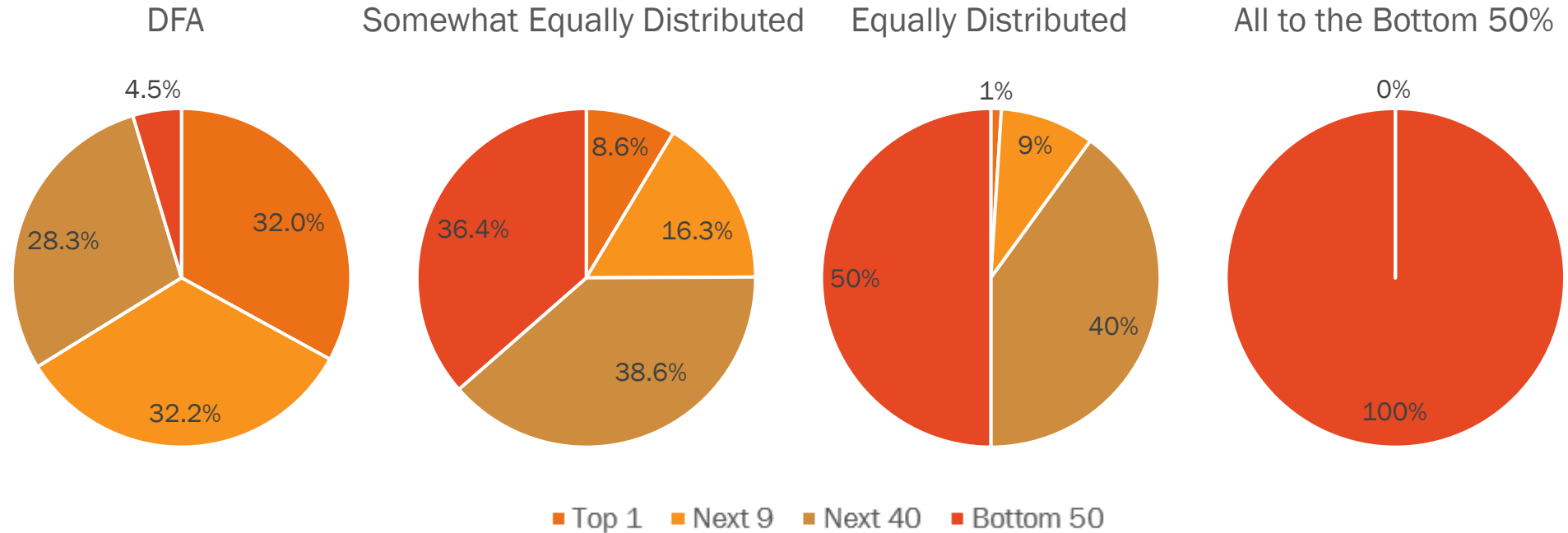
	19:Q4	22:Q1	Change
Top 1	30.7%	31.8%	1.1%
Next 9	38.7%	37.3%	-1.4%
Next 40	28.8%	28.1%	-0.7%
Bottom 50	1.8%	2.8%	1.0%

Source: Distributional Financial Accounts, June 17, 2022.

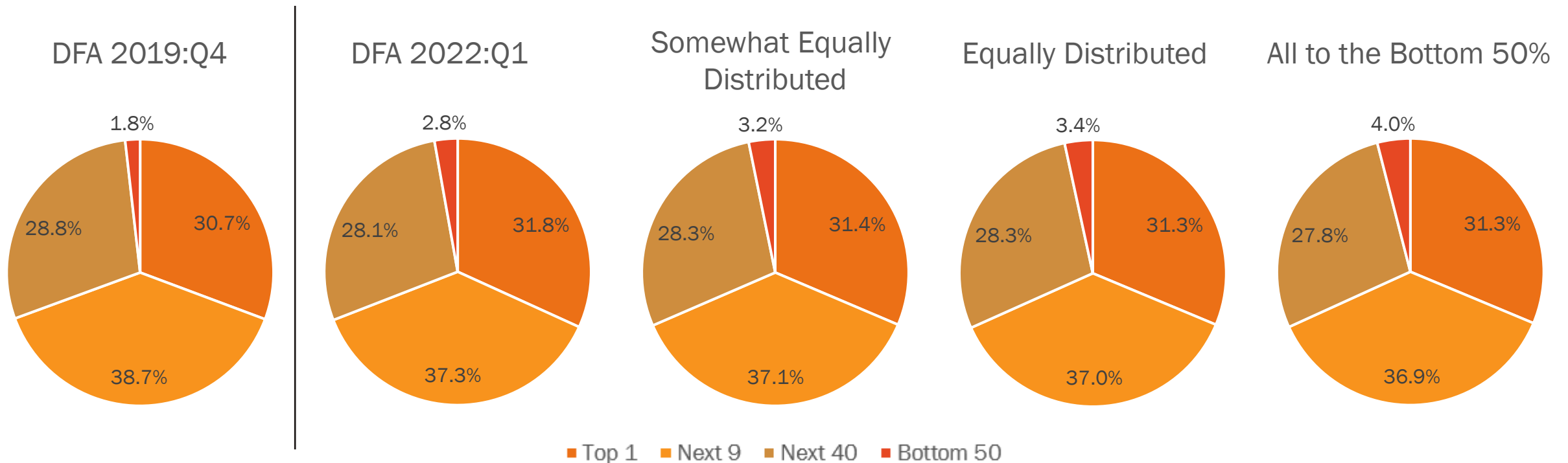
Alternative Distribution Scenarios for Excess Savings: Wealth Groups

Excess Savings: Net increase in asset and liability transactions over the 2019 rate

Period	Excess Savings (\$ bill)
2020:H1	1,417
2020:H2	132
2021:H1	591
2021:H2	-140
2022:Q1	365
Total	1,837



Net Worth Shares: Wealth Groups



Excess savings did not substantially reshape the wealth distribution

Net Worth Growth Rate

WEALTH GROUP	DFA 2022:Q1	SOMEWHAT EQUALLY	EQUALLY	ALL TO BOTTOM 50%
Top 1	32.9%	31.3%	30.9%	30.8%
Next 9	23.8%	23.0%	22.7%	22.3%
Next 40	25.3%	26.2%	26.2%	23.9%
Bottom 50	99.4%	129.5%	142.1%	188.8%

Rapid relative growth for Bottom 50 across the scenarios but material uncertainty about growth rate

Conclusion

- The distribution of wealth has been relatively stable despite the massive upheaval caused by the pandemic
- Gains on assets concentrated towards the top of the distribution were so large that they dwarf the historic increase in savings and leave limited margin for uncertainty on the distribution of excess savings
- This simulation exercise reveals the challenges of relying on historical relationships to model the wealth distribution during unprecedented circumstances

<https://www.federalreserve.gov/releases/z1/dataviz/dfa/>