

## Appendix

This short appendix describes the basic construction of figures in the document. Full details are in the online appendix.

**Figure 1: Layering income concepts.** This figure begins with the breakdown of national income that appears in Piketty, Saez, and Zucman (2018). That gives us the share of national income, both labor and capital, that appears on individual tax returns. We also take their measures of labor income and capital income that do not appear on individual tax returns. We then add in aggregate government transfers and other aggregate government spending (also from Piketty, Saez, and Zucman (2018)) as well as realized capital gains drawn from IRS and CBO data. We do not make adjustments for accrual in including capital gains, so there is some potential here for double-counting. Our estimate of the value of household production is drawn from the BEA satellite accounts, which cover all years in the figure. Our rough estimate of the value of leisure—which is offered to provide only a general sense of how one might think about the order of magnitude—starts with the American Time Use Survey measure of the hours each day spent in leisure, multiplied by the annual adult population and days in the year. (Before 2003, we assume that individual daily leisure is the same as the average of measured years after 2003.) For the wage rate, we use the most recent federal minimum wage, bench-marked to 2010 (the first full year it was law), indexed to other years using the Social Security Administration’s measure of wage growth. The purpose here is to provide only a rough and illustrative sense of the magnitude, not anything approaching a precise treatment of the issue, which we suspect is not possible—there is no consensus on how to think about the value of leisure. (One of the many nice puzzles one might consider here—and which we do not attempt to address—is: How to think about the leisure of children?)

**Figure 2: Different measures of the top 1 percent.** Here we pull directly from the appendix tables of several works: The CBO “Additional Data for Researchers” available through their ongoing series on household income distribution; Larrimore et al. (2021) we draw directly from table A2 in their appendix supplement; Piketty and Saez (2003) we draw directly from their updated distribution tables (A1 and B1); Piketty, Saez, and Zucman (2018), we draw from TA1, TB1, and TC1 in their distribution tables; Auten and Splinter (2024a) we draw from T-A1 in their appendix spreadsheet.