

The Great Recession's Varied Effects on Household Well-being and Its Consequences for Inequality

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This paper uses unique data from the 2007–2009 Survey of Consumer Finances (SCF) panel to examine how the Great Recession's effects varied across households at different points of the 2007 income and wealth distributions. We focus in particular on the contribution of changes in employment, house prices, and other asset values to changes in families' financial well-being across income and wealth groups. We then assess how, on net, these varied shifts affected income and wealth inequality. Finally, we examine differences, by 2007 income and wealth, in families' responses to the recession (e.g., changes in investments, saving, or labor supply).