

Abstract for “Income Mobility and Economic Insecurity in Developed Countries during the Great Recession: Spain vs. the U.S.”

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The current economic recession has had an unequal impact in the income distribution of developed countries even if changes in income inequality and in poverty rates have been relatively small even in spite of the macroeconomic heterogeneity of the recession across different economies. However, when evaluating the main changes in individual welfare perceptions linked to the crisis it is not only the increase in inequality or poverty that matter, also changes in individual perceived chances to move either upwards or downwards in the distribution. Indeed, income mobility may be used as a proxy of the individual perception of economic insecurity (mainly if it is downwards). In this paper our main aim is to analyze to what extent the current recession has changed income mobility at different points of the income distribution, and thus probably also individual perception of income security, in countries with significantly different levels of job losses during the recession such as Spain and the US. Further we will also aim to discover if changes in the evolution of income mobility are linked to changes in the main determinants of downward income mobility due to the impact of the crisis.