

Project " Wealth, income and consumption inequality after COVID-19

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Co-Principal Investigator: Salvatore Morelli (Roma Tre University)

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A brief summary of the project;

The project analyzes the dynamics of income, wealth and consumption inequality in Italy after the COVID-19 crisis, with the aim of assessing medium- and long-term distributional effects and evaluating the impact of labor market and fiscal policies. It integrates administrative data, household surveys and macroeconomic aggregates to produce consistent and high-frequency inequality measures. The research develops indicators of skill mismatch, improves wealth distribution estimates, studies consumption responses to income shocks, and examines financial participation and technological adoption. The project therefore provides structural and behavioral evidence on how shocks and policy interventions affect inequality and household resilience.

The project was implemented through coordinated operational units at Napoli Federico II and Roma Tre. Researchers in Napoli (Tullio Jappelli, Annalisa Sognamiglio) focused on labor market dynamics and skill mismatch, income and consumption dynamics, estimating marginal propensities to consume and studying heterogeneity across wealth groups, examining financial participation and technological adoption, including stockholding behavior and generative AI usage, to assess their interaction with inequality. Researchers in Roma Tre (Salvatore Morelli) concentrated on wealth distribution, integrating survey data with macroeconomic accounts to produce improved distributional estimates.

Description of research activities at Roma Tre University

The operational unit in Roma Tre worked on the measurement of income and wealth inequality. This unit focused on three main objectives:

A first objective was to leverage from Italian income tax records to derive detailed distributional estimates at finer geographical levels (council, provinces, regions, macro-areas, and the recently introduced classification of the National Strategy for Inner Areas). The analysis highlighted that COVID shock caused real income losses across the entire distribution between 2019 and 2020, with the bottom 90% and the top 0.1% experiencing the largest declines, while upper-middle groups (P90–99 and P99–99.9) faced relatively smaller reductions. Between 2020 and 2021, real incomes rebounded strongly, with historically high growth for both the bottom 90% and the top

0.1%. However, only the top 0.1% fully recovered the losses from the previous year, leading 2020–2021 to become the fourth-largest recorded increase in income for this group (Guzzardi and Morelli, 2024).

The research unit also reconciled the existing evidence on aggregate wealth using multiple data sources to construct a consistent household wealth series for Italy. Specifically, we rely on the National Accounts (Balance Sheets and Financial Accounts) from the Bank of Italy and Istat, the Survey on Household Income and Wealth (SHIW), the earlier Bank of Italy (2015) household-sector aggregates, and the long-run series by Acciari et al. (2024), and European Central Bank (ECB). Furthermore, to conduct distributional analysis at a quarterly frequency, we also aligned National Accounts concepts to be comparable with the SHIW survey. (Di Biase and Morelli, 2026)

In related research, the unit derived new high-frequency quarterly estimates of wealth distribution in Italy, combining National Accounts Statistics with survey data from SHIW and external Rich list data. Particular attention was devoted to correcting for differential non-response and under-reporting at the top of the distribution, in line with the methodological ambitions of the proposal, combining survey and Forbes rich list data using Pareto interpolation techniques. (Disslbacher, Di Biase, Lika, and Morelli, 2026)

Research output including acknowledgment of the PRIN 2022 project – by the Principal Investigator in Napoli (Tullio Jappelli) and in Roma Tre (Salvatore Morelli).

The project generated a set of high-quality publications and working papers addressing its core objectives. The article published in *American Economic Journal: Macroeconomics* provides structural evidence on the relationship between permanent income shocks and target wealth, confirming a central prediction of the buffer-stock saving model (Jappelli and Pistaferri, 2025).

The paper in the *Italian Economic Journal* analyzes consumption responses to liquidity shocks and documents that only unanticipated income changes significantly affect spending, with stronger effects among liquidity-constrained households (Acconcia, Chinetti, Jappelli, 2025). A further contribution published in *Fiscal Studies* offers a comprehensive account of inequality trends in Italy between 1990 and 2020, highlighting the role of labor market reforms and the mitigating function of taxes and transfers (Checchi et al, 2024). Additional working papers examine the adoption and earnings implications of generative AI and the dynamics of stockholding and crypto participation in Europe.

A research paper, now in a R&R phase at the *Journal of Economic Inequality*, reconstructed detailed series of income concentrations at a fine geographical level in Italy up to 2021 (Guzzardi and Morelli, 2024). Two papers in a preliminary draft stages derive detailed reconciliation of aggregate wealth statistics in Italy (Di Biase and Morelli, 2026) and high-frequency series of wealth concentration (Disslbacher, Di Biase, Lika, and Morelli, 2026), whereas, three additional works put these estimates into the context of international experience (Longmuir et al., 2025 *Revise and Resubmit at Nature Scientific Data*; Alvaredo, Berman and Morelli, 2025 *Under revision at the American Economic Journal: Economic Policy*; and Disslbacher, Morelli, and Targa, 2025, *under revision at Oxford Open Economics*).

Together, these publications reflect the multidimensional nature of the project and contribute to the academic and policy debate on economic inequality, household behavior, and structural change in the aftermath of the COVID-19 crisis.

List of publications

Permanent Income Shocks, Target Wealth, and the Wealth Gap, Tullio Jappelli, Luigi Pistaferri
American Economic Journal: Macroeconomics, 2025, 17(1): 102–125
DOI: <https://doi.org/10.1257/mac.20220160>

Stockholding in Europe: Evidence from the Consumer Expectations Survey, Dimitris Christelis,
Dimitris Georgarakos, Tullio Jappelli, Justus Meyer, Geoff Kenny, February 2026, mimeo

Exploring Household Adoption and Usage of Generative AI: New Evidence from Italy, Leonardo
Gambacorta, Tullio Jappelli, Tommaso Oliviero, CEPR DP No. 10033,
<https://hub.cepr.org/published-discussion-paper/271868>

Consumption and Liquidity Shocks, Antonio Acconcia, Simone Chinetti, Tullio Jappelli Italian
Economic Journal (2025) 11:17–29, DOI: <https://doi.org/10.1007/s40797-024-00267-5>

Inequality trends in a slow-growing economy: Italy, 1990–2020, Daniele Checchi, Tullio Jappelli,
Immacolata Marino, Annalisa Scognamiglio, Fiscal Studies (2024), 45: 377–392
DOI: 10.1111/1475-5890.12385

A New Geography of Inequality: Top Incomes in Italian Regions and Inner Areas, Demetrio
Guzzardi e Salvatore Morelli, Stone Center Working Paper N. 88, June 2024. (Revise and
Resubmit at Journal of Economic Inequality).
<https://osf.io/preprints/socarxiv/b2yue>

Evidence from the Dead: New Estimates of Wealth Inequality using a Simplified Multiplier Method,
Facundo Alvaredo, Yonatan Berman, and Salvatore Morelli, Stone Center Working Paper N.91,
Novembre 2024. (Under revision at the American Economic Journal: Economic Policy).
<https://osf.io/preprints/socarxiv/a4frb>

Wealth Composition, Distribution, and Transmission: The Graduate Center Wealth Project Data
Warehouse, M. Longmuir, F. Disslbacher, S. Rapp, F. Di Biase, G. Rella, F. Subioli, A. R. Johnson,
M. Targa, S. Morelli, M. Schechtel, T. Asher, L. Giangregorio, and I. Flores. (Accepted for publication
at Nature Scientific Data)

Wealth Inequality Trends Around the World: a first view leveraging multiple data sources, Franziska
Disslbacher, Salvatore Morelli, and Matteo Targa (Under revision at Oxford Open Economics).

Aggregate Household Wealth in Italy: Reconciling the existing evidence, Frincasco Di Biase and
Salvatore Morelli, Jan 2026, (*mimeograph – work in progress*).

High-Frequency trends of Wealth Inequality in Italy, Franziska Disslbacher, Frincasco Di Biase,
Alban Lika, and Salvatore Morelli, Jan 2026, (*mimeograph – work in progress*).