

Whose economic growth?

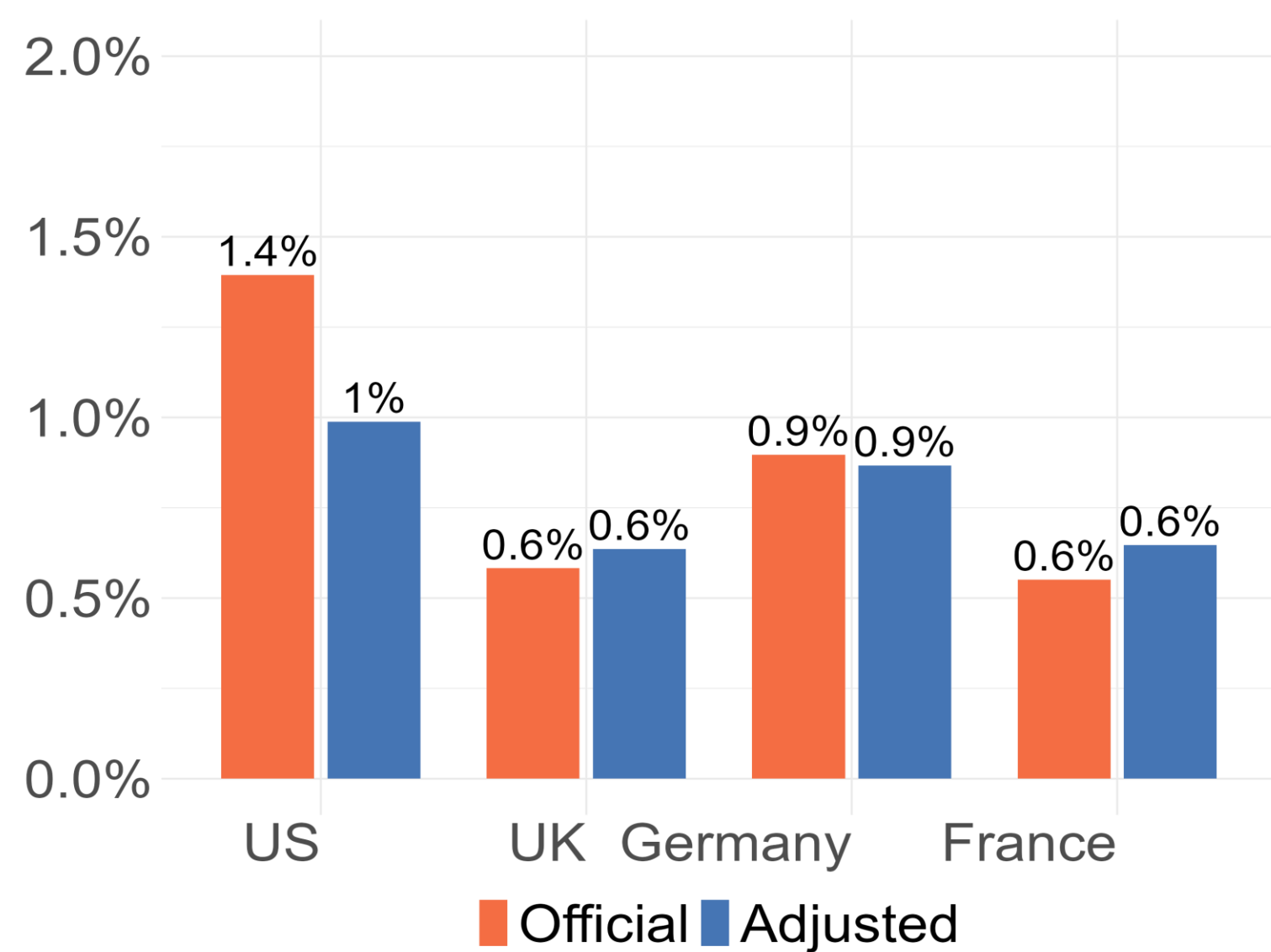
How excluding the top earners reshapes the growth story

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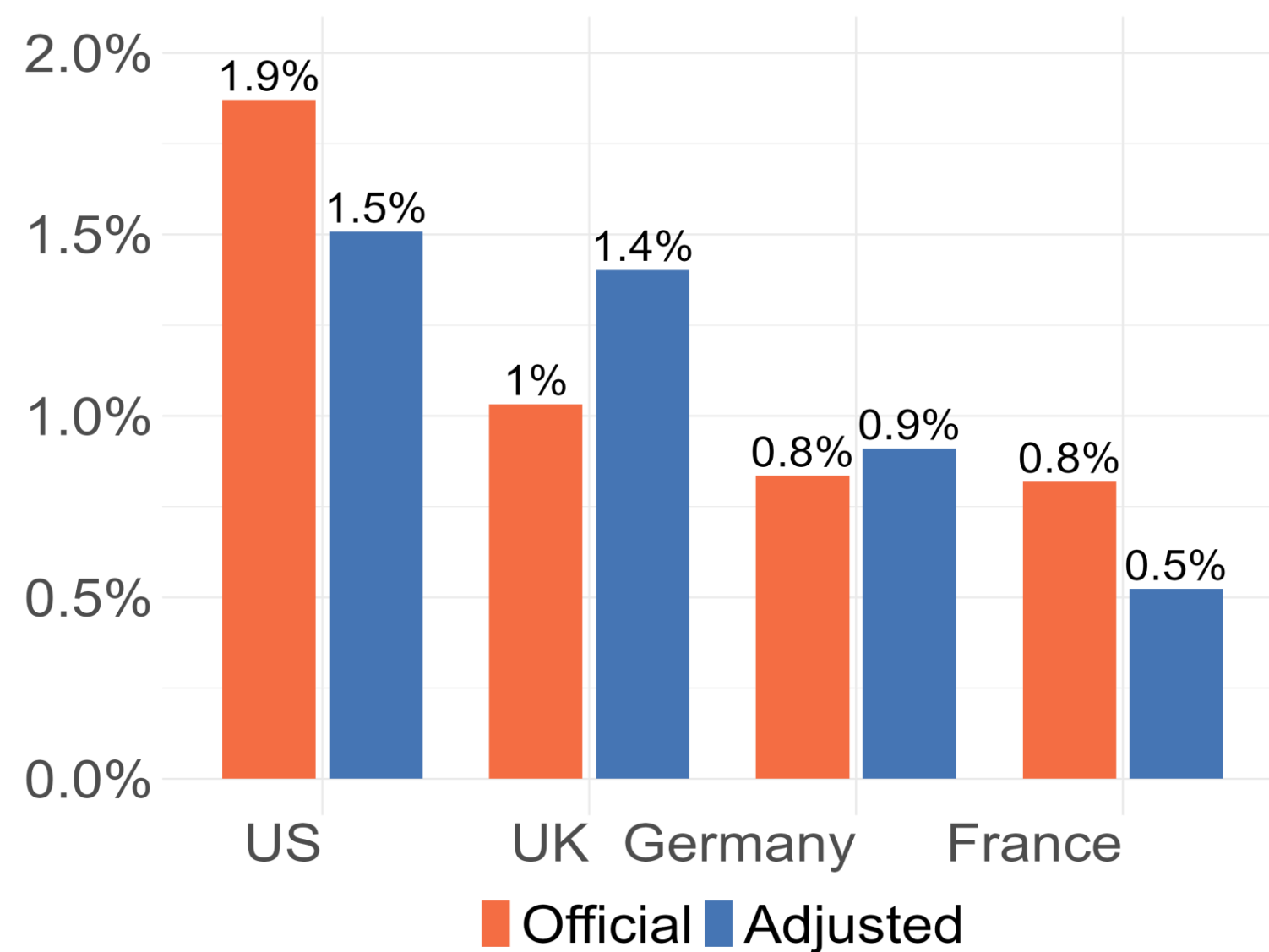
Official GDP figures suggest the US has vastly outpaced the UK and Europe in recent years. But aggregate growth can mask who is actually benefiting. Using data on their pre-tax national income shares, we adjust real GDP per capita to exclude the income of the top 1% and top 10%. We find the US growth advantage shrinks considerably.

Removing the 1%

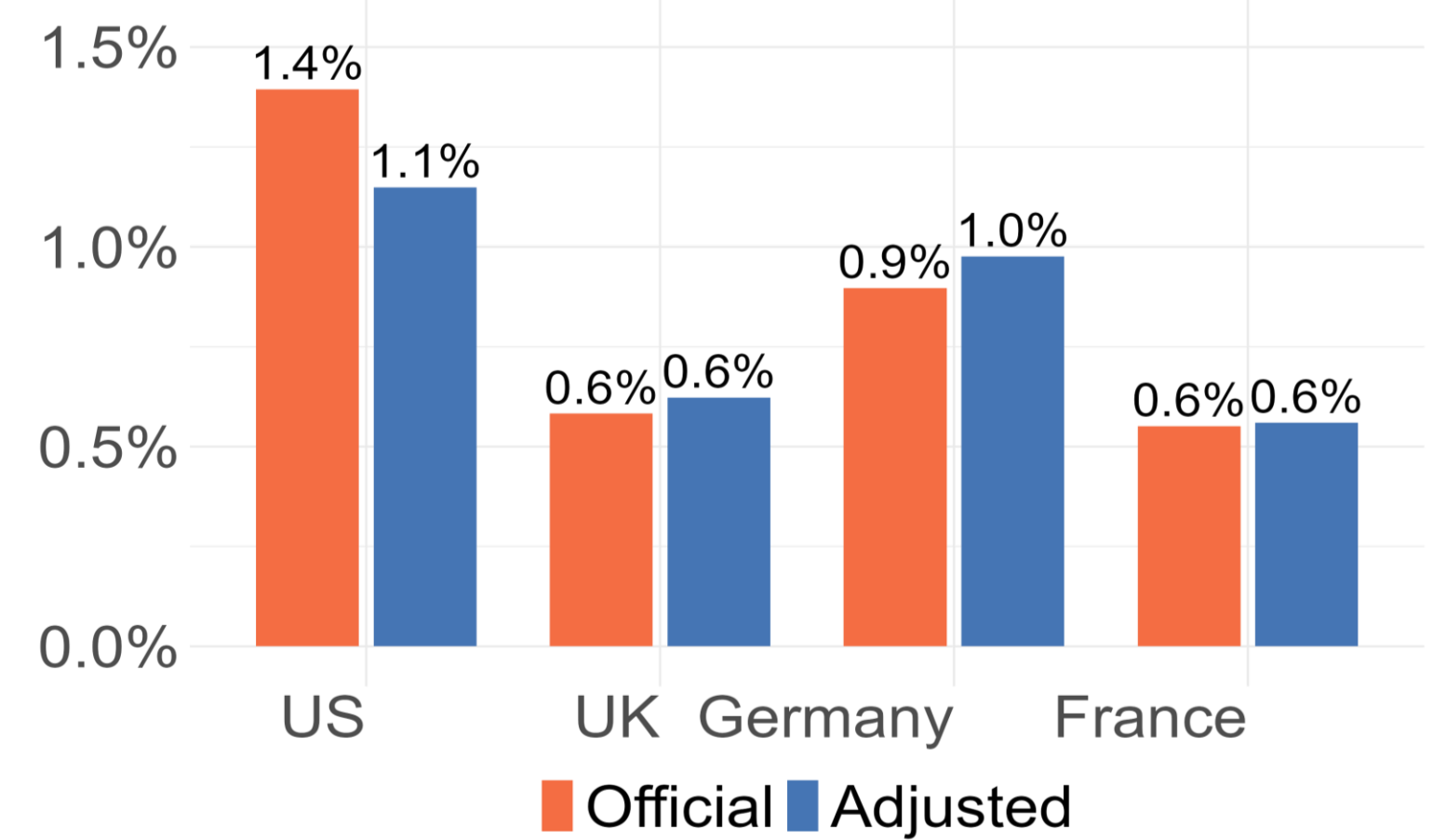
- The US officially grew at 1.9% per year (2013–2023), ahead of the UK (1.0%), Germany (0.9%), and France (0.8%).
- Excluding the top 1%'s income reduces US growth to 1.6%, narrowing but not closing the gap with Europe.
- Adjustment has little effect on European growth rates.
- In the UK and Germany, growth is slightly higher after adjustment.



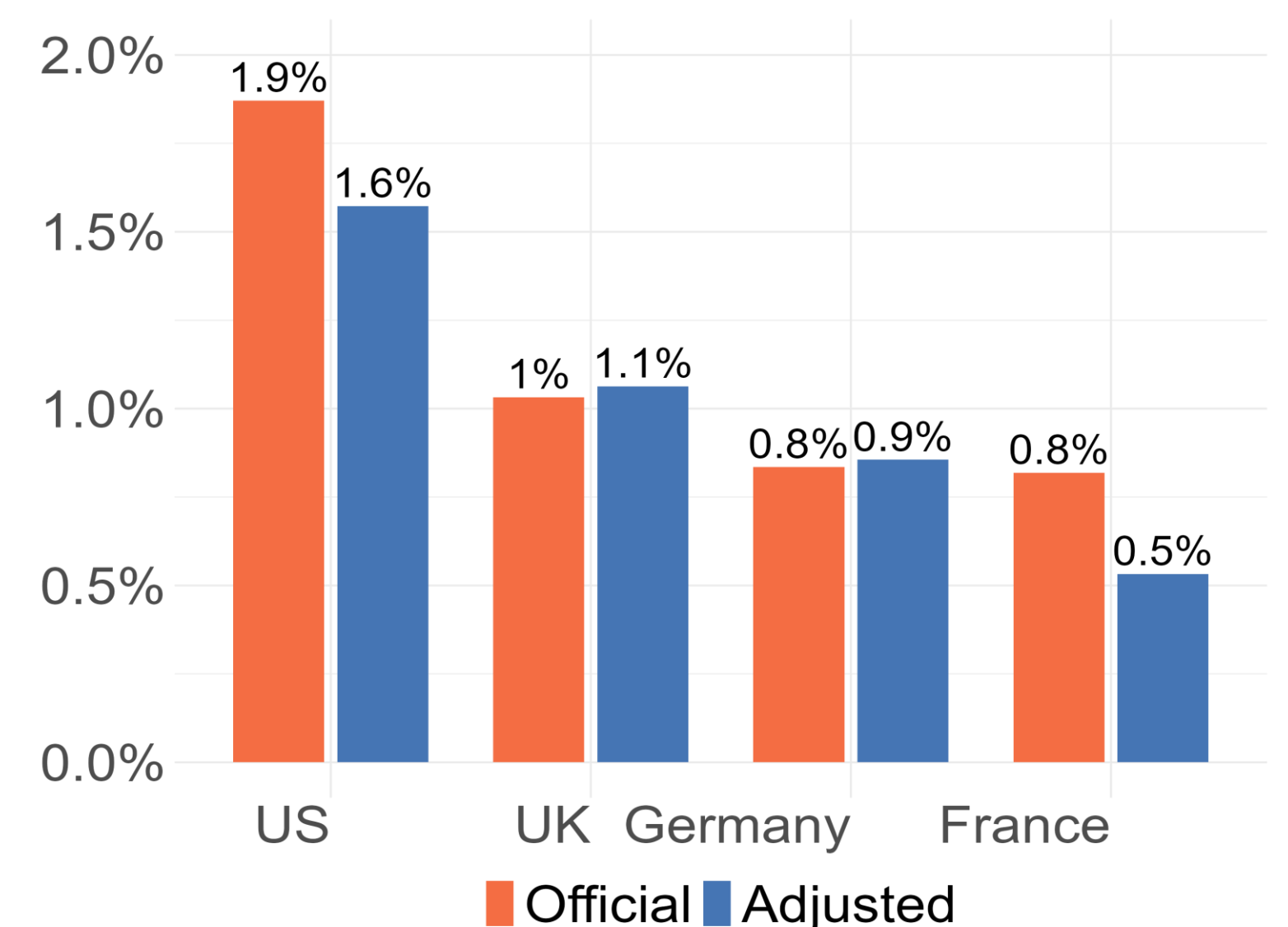
a) 2008-2023



b) 2013-2023



a) 2008-2023



b) 2013-2023

Removing the 10%

- Excluding the top 10% narrows the gap further
- The UK's adjusted growth rate (1.4%) nearly matches the US (1.5%) for 2013–2023, a gap of just 0.1 percentage points.
- Germany's adjusted growth also converges toward the US.
- For the majority of the population, economic performance across advanced economies has been far more similar than headline GDP suggests.

