

# Top Earners: Cross-Country Facts

Alejandro Badel, Moira Daly, Mark Huggett, and Martin Nybom\*

## Abstract

We provide a common set of life cycle earnings statistics based on administrative data from the United States, Canada, Denmark, and Sweden. We find three qualitative patterns, which are common across countries. First, top-earnings inequality increases over the working lifetime. Second, the extreme right tail of the earnings distribution becomes thicker with age over the working lifetime. Third, top lifetime earners exhibit dramatic earnings growth over their working lifetime. Models of top earners should account for these three patterns and, importantly, for how they quantitatively differ across countries.

---

\*Alejandro Badel is an adjunct professor at Georgetown University and was an economist at the Federal Reserve Bank of St. Louis. Moira Daly is a senior advisor at Copenhagen Business School; Mark Huggett is a professor at Georgetown University; and Martin Nybom is an associate professor at the Institute for Evaluation of Labour Market and Education Policy. The authors acknowledge financial support from Danish Social Science Research Council (FSE) grant No. 300279 and support from the Federal Reserve Bank of St. Louis. They also thank Bryan Noeth for research assistance. The views expressed in this article are those of the author(s) and do not necessarily reflect the views of the Federal Reserve System, the Board of Governors, or the regional Federal Reserve Banks. Articles may be reprinted, reproduced, published, distributed, displayed, and transmitted in their entirety if copyright notice, author name(s), and full citation are included. Abstracts, synopses, and other derivative works may be made only with prior written permission of the Federal Reserve Bank of St. Louis.