Social class and wealth inequality in Italy over 20 years, 1993–2014

POST PRINT

Paper pubblicato su *Journal of Modern Italian Studies*
23:2, pp. 176-198, 2018

Social class and wealth inequality in Italy over twenty years, 1993-2014

Joselle Dagnes, Marianna Filandri, Luca Storti
University of Torino - Italy

Italy is facing its worst economic crisis since the Second World War. As many studies have already shown, the crisis is affecting the country's social class structure, thus accentuating several inequality tendencies. In this connection, the empirical purposes of the paper are twofold: i) to analyze whether accumulation and inequality in wealth are growing or declining in absolute terms; ii) to investigate the relationship between social class and wealth inequality. To this end, we adopt a longitudinal approach – viz., we take the 1993-2014 period into account – by using data from the Italian Survey of Household Income and Wealth. Our findings suggest that overall net worth has trended down in the years following the beginning of the crisis (since 2010), and that inequality in wealth has basically been increasing during the twenty-year period, with a decline from 2012 on. However, there has been no persistent social splitting process in wealth distribution by social class. Rather, there is a high (and increasing) level of domestic differentiation in terms of household wealth by class, mainly within the lower class and self-employed middle class, which could put further stress on social cohesion standards and allow new forms of social vulnerability to emerge.

Keywords
Social inequality; Wealth distribution; Polarization; Economic Crisis.

Introduction

Italy is facing its deepest and longest economic crisis since World War II, due to a persistent lack of economic innovation and its weak presence in the high value-added sectors. Between 2008 and 2013. GDP dropped by 9%, industrial production by 25% and unemployment increased dramatically (Ciccarone and Saltari 2015). The economic crisis has also deeply affected the country's social fabric: the internal variance in terms of economic wellbeing tears social cohesion apart, thus widening the so-called North-South Divide (Trigilia 2012). The duality of the labour market is creating sharp intergenerational conflict. Political actors are still struggling to propose robust economic and institutional reforms (Crouch 2011).

Furthermore, the perverse combination of these factors has increased social inequality and slowed relative social mobility (Franzini and Pianta 2015). With regard to these tendencies in the stratification of Italian society, many scholars have focused on three main points: i) social inequality is subject to stress from below, since both absolute and relative poverty rates are

growing; ii) social distances are increasing, since the vast majority of Italians are worse off today than before the crisis; iii) a "fear of falling" has also made itself felt in the "middle" of Italian society (*Ibid.*). The middle classes' employment conditions no longer ensure the level of wellbeing achieved during the years of Fordism. This fear is justified by the increase in the number of the working poor even among those with high human capital resources (Bagnasco 2016; Ehrenreich 1989; Warren and Warren Tyagi 2003).

In short, many scholars have suggested that we are witnessing a tendency towards social polarization in Italian society. From this point of view, Italy is no exception: such polarization seems to occur in many rich and developed countries. In Italy, however, it has gained greater impetus. According to the Annual Report of the Italian Statistic Agency, the overall level of inequalities has grown more in Italy than in several other developed countries over the last 25 years (Istat 2016). While the stratification of Italian society was close to that of the coordinated market economies (e.g. Germany and Sweden) during the 80s and 90s, it is now similar to that of the liberal market economies (e.g. USA and UK), which traditionally have the highest levels of social inequalities (Ibid., p. 220). Hence, in line with the most pessimistic hypothesis, Italian society may be taking on an hourglass shape – with a narrow upper class, superordinate to a higher-level lower class, and the intermediate social groups being residual with extended middle strata. The less alarming hypothesis argues that there is an ongoing erosion of the quality of life of different social classes, whose long-term consequences are mainly unpredictable and not necessarily irreversible (Bagnasco 2008).

Within this framework, there is still a need for closer scrutiny of the evolution of social inequalities and social stratification in Italian society. Thus, this article focuses on a relevant but less investigated topic related to social inequalities: the ongoing and over-time changes in the distribution of wealth. Specifically, our analysis strategy consists of two main steps: i) we observe whether accumulation and inequality in wealth in Italy are growing or declining in absolute terms; ii) we analyse some aspects of both vertical (i.e. between social classes) and horizontal (i.e. within social classes) distribution of economic wellbeing – mainly relating to household wealth – in the Italian social stratification. In doing so, we extend the existing literature in three respects.

First, we assume a medium-term time scale, from 1993 to the present. This diachronic perspective allows us to observe whether changes in inequality occur in conjunction with a puzzling phase of the Italian economy, or whether their origins can be traced to an earlier date. We chose 1993 as the starting point of our observation window as it is the beginning of the so-called Italian Second Republic and of an enduring impasse of the Italian production system (Ciccarone and Saltari 2015).

Second, we attempt to enrich the debate on Italian inequality trends with more thorough empirical evidence, given that this debate is often ideological and alarmist in nature.

Third, most existing studies of social inequality focus mainly on flow data (e.g. income), while stock data (e.g. wealth) has been little explored. By contrast, we measure wealth at social class level, since it has become crucial for gaining a better grasp of social inequality. As suggested by a wide stream of literature, our empirical focus is on private net wealth, defined as a household's real assets (real estate and valuables) plus financial assets (deposit accounts, investments in securities) minus debt (consumer loans, mortgages). To investigate the relationship between wealth distribution and social class, we adopt a narrow schema of four distinct social positions: upper class, employed middle class, self-employed middle class, and lower class. Our analyses are based on data from the Survey of Household Income and Wealth (SHIW) conducted in Italy on a biennial basis.

The article is organized as follows. In the next section, we will argue that wealth is a useful parameter for gaining a better understanding of the ongoing tendencies in social stratification. As we will show, taking wealth into account is especially relevant to the Italian social structure.

We will then lay out an analysis framework, presenting the hypotheses which will underpin the empirical strategies (section 1). Once the main aspects regarding data and methods have been clarified (section 2), we will present the empirical findings (section 3). An analytical synthesis and several suggestions about the social implications of the findings will be provided in the concluding section.

Wealth and the middle classes: framework and empirical questions

Two central dimensions contribute to shaping the inequality structure that individuals face: the economic position, determined by the different allocation of economic resources, and the social position, defined by each person's specific placement in the labor market. Living conditions and opportunities chiefly depend on these – interconnected but theoretically and analytically distinct – elements.

Our paper specifically focuses on Italy, scrutinizing the link between economic and social disparities and its evolution over the last twenty years. We investigate the economic condition through household wealth, while we define the social position by adopting a four-category class scheme. Both these choices are particularly suitable for Italy, for the reasons explained below.

To measure economic condition, researchers typically use income, while there is less systematic attention to wealth[1] (Franzini and Raitano 2011). The lack of focus on this dimension is mainly attributable to the poor availability of data on wealth at individual and household level[2] on the one hand, and on the other hand, to the fact that income has long been considered a sufficiently adequate proxy for evaluating social inequalities (Keister and Moller 2000; Piketty 2013). In a departure from this view, we argue that, at least in the current socio-economic context, the amount and distribution of wealth is crucial for understanding social stratification and how it changes in the medium to long term.

In fact, though the role of wealth in determining social inequalities has always been important, this is even truer when unforeseen events occur that for a certain period limit the ability to generate income. This kind of event has become relatively widespread and recurrent starting with the crisis of Fordism, due to the increasing uncertainty in the labor market and the proliferation of atypical work. In recent years, with the advent of the economic crisis, income uncertainty has spread, exacerbating existing trends (Gallie 2013).

In this context, the ability to cope with periods with no salary and, in many cases, without social security, has become more important. The loss of an individual's earning capacity is primarily offset by the redistributive intervention of one's family, which can redeploy the wealth accumulated over time in order to ensure the living conditions of its members. In other words, we can argue that the predictive power of income has been progressively reduced, while the link between the economic well-being of individuals and their households' wealth has gained more emphasis.

The dynamics we have described obviously exhibit differences according to the specific characteristics of the socio-economic and institutional context in question. In Italy, the importance of household wealth to individuals' well-being is clear from at least two elements. First, having a stable labor income is becoming increasingly difficult, especially for the younger generation, given that the Italian youth unemployment rate in mid-2016 was 39.2% for the country as a whole (it was about 20% in 2007), and over 60% in southern Italy[3]. Second, the role of family wealth is particularly decisive in Italy because of the absence of a basic income and the existence of a social security system primarily designed to protect traditional forms of inclusion in a Fordist labor market, whereas few public policies are dedicated to the conditions resulting from atypical work (Lucidi and Raitano 2009; Murray and Pateman 2012).

Moreover, focusing on Italian private wealth is quite relevant, both because it is remarkably

substantial, and because it is anomalously distributed (Bank of Italy 2015; Brandolini *et al.* 2004; Cannari and D'Alessio 2006; Credit Suisse 2016). On the one hand, Italy's median household wealth[4] (Credit Suisse 2012; 2016) is one of the highest of all OECD countries. On the other hand, wealth inequality in Italy is considered medium-low by comparison with the high level found in the United States, Austria, Germany, Denmark Norway and Sweden (Davies *et al.* 2016; see also Slopek 2015; Slopek *et al.* 2014). In this scenario, some contradictions seem to emerge. First, while Italy ranks at the top in median wealth both per capita and per household (Credit Suisse 2016; Davies *et al.* 2016; Sierminska *et al.* 2006), the country's median household income is lower than the USA, Canada, Japan, Germany, Britain and France (Gallup 2016). Second, Italy is a country where large private wealth is combined with large public debt. In fact, Italy in 2014 had the third highest Public Debt to GDP ratio among OECD countries, after Japan and Greece. Italian public debt, in fact, reached 132.7% at the end of 2015 (Istat 2016). In order to illustrate these apparent paradoxes, we need to consider medium and long-term processes at work in Italian society, as we will do in the next section.

Besides household wealth, the second element linked to the inequality structure that we take into consideration is social position, following the foundational assumption that "social class remains a relevant factor in the structuration of socio-economic inequalities" (Albertini 2013, p. 36). Despite the post-modernist thesis, according to which social structures should lose their influence on individuals' life course (Biolcati-Rinaldi and Sarti 2015), a large number of empirical studies have shown that social class is still systematically connected with many outcomes: mortality, health, occupational opportunities and attainment, as well as economic resources (Albertini 2013, p. 27). Social investigations in Italy have also demonstrated that social classes – and social origin – still affect the life course in at least three main respects: in the chance of achieving a higher educational level (Ballarino *et al.* 2009); in the chance of getting a good first occupation (Albertini 2008; Barbieri 2011; Berloffa *et al.* 2016); and in facing unemployment risk (Lucchini and Schizzerotto 2010).

To define social position in both a synthetic and meaningful way, we decided to adopt a four-category class scheme, based on an aggregation of the ESeC classification. We believe this choice combines the advantage of parsimony, avoiding an excessive fragmentation that prevents a clear understanding of ongoing processes, with a precise identification of the main social groups in Italian society. In fact, in addition to the lower and the upper class, a separation between two distinct types of middle class is needed in order to take certain specific elements of social stratification in Italy into account.

It is well established that there are two distinct gateways to the middle classes: i) permanent work, pertaining to knowledge workers and civil servants in the public or private sectors; ii) self-employment and entrepreneurship, pertaining to small and medium-sized business owners. In Italy, both these gateways have been – and still are – significant (Bagnasco 2008; Negri and Filandri 2010). Given the high incidence of small production systems in the Italian economy, self-employed workers are the core of the urban petty bourgeoisie, both in big cities and in medium-sized ones (Becattini *et al.* 2009). The white collar middle class, in both the public sector and the private sector, is equally important (Bagnasco 2008; Bagnasco 2016). Consequently, we will distinguish between the self-employed middle class and the employed middle class.

Empirical questions and hypothesis

In the next sections of the paper, we will address two main questions over a timeframe from 1993 to 2014.

First, what is the overall trend in the net wealth of Italian households? Previous empirical findings on this topic have shown that in the medium and long term, Italian families' wealth accumulation process tends to lead to a progressively increasing total, average and median

amount of wealth (Cannari and D'Alessio 2006; Dagnes 2010). This trend depends on several basic factors: i) the persistent – although oscillating – Italian household saving propensity[5], historically influenced by the scarcity of bank mortgages, which forced families to rely on their own capital to purchase homes, and by a limited insurance market, leading households to guard against potential risks by accumulating private resources (Guiso *et al.* 1994; Jappelli and Pistaferri 2000); ii) the low level of debt traditionally held by Italian families[6]. Although this rate has been increasing since the Nineties, low private indebtedness is still a major feature of the Italian household portfolio, due to the existence of specific consumption models on the demand side, and to the rigidities of the credit market[7] on the supply side (Magri 2002; Magri and Pico 2012); iii) the specific composition of Italian household wealth, with home ownership absorbing a significant share of total wealth[8]. The Italian real estate market has grown at a steady pace in recent decades, ensuring capital gains for the majority of homeowners (Filandri 2015); iv) a taxation system which has been historically more biased towards income and corporate taxes than towards property taxes[9], thereby partially restricting income levels, while preserving household wealth (Crainz 2013); v) the relatively wide spread of the informal economy and a sort of political tolerance of tax evasion – at least in part – which has sped up the accumulation of wealth of several professional categories (e.g. micro and small entrepreneurs and retailers), especially in some areas of the country, thereby increasing their actual financial means, while creating difficulties in controlling public expenditure (Bagnasco 2016; Bagnasco and Storti 2008; Crainz 2013); vi) a well-established intergenerational solidarity model that encouraged the accumulation of wealth in order to support new generations' entry into the labour market, which was (and still it is) difficult due to low wages in the early stages of the job career (Filandri *et al.* 2017; Saraceno and Keck 2010).

Summarizing, we argue that the high level of Italian household wealth is the outcome of three main elements: a long-term process of political economy (i.e. the regulation of economy and society), a typical lifestyle, and a pattern of consumption and savings which has been especially widespread in the middle classes who attained economic well-being from the Sixties on (Bagnasco 2016)

Given this scenario, we expected to find a progressive consolidation of Italian household wealth, at least until the economic crisis occurred. In other words, we envisage that the economic turmoil caused by the crisis had a significant impact on Italian household wealth, in terms of both its accumulation and of concentration (HP 1). Specifically:

a. During the crisis, we expect more uncertain economic conditions and the insecurity of the labour market to contribute to undermining some of the factors that fuelled the wealth accumulation process (Bank of Italy 2015), leading to either a slight decrease or to stability in the level of acquired resources, as wealth allocation seems to be strongly inertial in the short term (Brunnermeier and Nagel 2008) (HP1a).
b. As has occurred in other industrialized countries, we expect that the decline in wealth accumulation has proceeded at a different pace among households, depending on their position in the labour market (Brandolini *et al.* 2004). At aggregate level, therefore, we expect an increase in the wealth concentration ratio, or rather an increase in overall levels of wealth inequality (HP1b).

Second, what is the trend of the net wealth of Italian households by social class? Given the overall trend hypothesized in the previous point, we expected to find some differences by social class position, due to the fact that the wealth accumulation process is influenced by economic, cultural, and social capital endowment (Bourdieu 1986), as well as by the position in the labor market. At first, we can assume substantial progressive growth, albeit at different paces, for all social classes until the economic crisis. After 2008, we expect the four social classes to show a different degree of resilience to the exogenous shock, depending on their previous strength and on the differential effects that the crisis may have on these social groups (Stiglitz 2009; 2012).

Particularly in the case of Italy, it seems reasonable to assume that the economic crisis has had a greater impact on those families whose wealth depends more directly on the continuity of income (Ballarino and Barbieri 2012) and who cannot count on safe-haven assets. From these considerations, we expect that starting from 2008 the wealth accumulation process has slowed for the upper class, stopped for the middle classes and eroded for the lower class (HP2).

The hypothesized difference in performance leads to several research questions about social inequality among classes in relative terms. Specifically:

a. Is household wealth inequality either decreasing or growing *between* social classes? From our previous claims, we expect to find a stable distance between the four social classes' level of wealth until 2008 and, subsequently, substantial growth in the relative distance, primarily due to continuing accumulation by the upper class – although at a slower pace than in the past – and, conversely, the drop in wealth for the lower class (HP2a);
b. Is household wealth inequality either decreasing or growing *within* social classes? As noted, being part of the same social class does not necessarily entail having homogeneous positions (Wright 2005). This is especially true when adopting a macro-partition, as in our case, and a longitudinal perspective. In this scenario, in fact, some positions that initially appeared equivalent may be differently affected by changes of context. In the case of Italy, with the advent of the crisis we expect to observe an increase in the domestic variance of wealth for the lower class and the self-employed middle class (HP2b). The members of the lower class are in fact more likely to suffer from the crisis' disruption of the labor market, as they more frequently have precarious and low-skilled positions (Berloffa *et al.* 2016). At the same time, they are those whose wealth is more directly connected with income and social transfers. They are thus exposed to an uncertain labor market and, at the same time, their social and institutional framework offers fewer guarantees than in the past, i.e. because of weak trade unions and the shrinking welfare state (Culpepper and Regan 2014; Pavolini *et al.* 2015). For these reasons, we expect differences in wealth between lower class families to be more likely after the advent of the crisis, reflecting for instance the differences between those who keep their job and those who lose it. The self-employed middle class, by contrast, is a heterogeneous class by definition, including workers in different sectors (trade, crafts, industry, services) and different sizes of business. So it is reasonable to expect the crisis to have a differentiated impact on these families who had previously all benefited from certain favorable conditions of the institutional context, i.e. the aforementioned low tax control.

Data and method

To analyse wealth inequality in Italy by focusing on the differences between and within social classes, we will refer to the Survey of Italian Household Income and Wealth (SHIW) data. SHIW is an Italian survey conducted almost every two years since 1965 by the Bank of Italy. The aim is to collect information on the economic behavior of Italian households using a sample of about 8,000 households. The dataset contains detailed information on household composition, age, education, labor market variables, individual and household income, savings, and consumption. Information on credit, transfers, and insurance is also included. Since our analyses concern net wealth, due to the availability of the information, we use cross-sectional data collected from 1993 to 2014. Moreover, because we restrict the focus to households[10] whose social class we can determine[11], the sample is reduced from 8,000 to about 4,700 observations each year (see appendix).

The variable relating to household social class is defined according to the occupational position of its members, in accordance with a version of the European Socio-economic Classification (ESeC) (Whelan and Maître 2013) and adopting a dominance criterion: each household is assigned the highest of its members' social classes, defined on the basis of their occupational status. We aggregate the occupational positions recorded by SHIW into a social class variable with four categories, as indicated earlier: upper class, employed middle class, self-employed middle class, and lower class. For the reasons explained above, we dichotomized the middle class, distinguishing between employees in both the public and the private sectors on the one hand, and self-employed individuals on the other.

The dependent variable of the study is household net wealth. The Bank of Italy survey collects information on wealth at the household level, since real and financial property are usually shared by all members regardless of their individual formal ownership. This approach is consistent with our analysis framework, which focuses on the role of the family in the redistribution of wealth for the benefit of individuals. Household wealth is defined as the total market value of dwellings, consumer durable goods, and financial assets, net of debts. In order to analyze change over time, net wealth expressed in real terms is deflated using the consumer price index calculated by the Italian National Institute of Statistics for each of the years considered[12]. Availability of detailed data on wealth allows us primarily to assess its amount, trend, and distribution between and within social classes[13].

The fact that the distribution of wealth is highly skewed must be taken into account. To do so, some scholar use the logarithm of wealth (see for example Bialowolski and Weziak-Bialowolska 2014). However, the presence of several households with negative values, which can occur if debts exceed asset value, means that overall net wealth cannot be transformed using the log function. We thus decided to use wealth without any transformation, but to analyze it with a median regression, which is a special case of quintile regression, where the coefficients will be estimated by minimizing the absolute deviations from the median. Of course, as an estimate of central tendency, the median is a resistant measure that is not as greatly affected by outliers as is the mean and, more important, it is semi-parametric, avoiding assumptions about the parametric distribution of the error process (Wooldridge 2002). We then run a median regression separately for each wave of the survey, estimating the differences in the median level of net wealth – including negative values – by social class position of household members. One of the advantages of this strategy is that the results have a direct and substantial interpretation.

Every model is specified considering socio-demographic household variables on one hand, and the area of residence on the other. The control variables are: the presence of children, which was treated as a dummy variable, by distinguishing between households with or without children; the number of earners within the household, which was grouped in three categories: no earner, one-earner, two or more earners; the size of the household, which is divided into five categories, from a one-member household to households of five or more members; the household age: because the age of the members within the household may vary greatly, we use the age of the highest income earner by distinguishing three age ranges: 18-39, 40-54, and 55 and over; the residential location of the households, due to the fact that Italy is characterized by deep socio-economic differences between geographical areas (Busso and Storti 2013). In line with the literature, we distinguish three main areas: northern Italy, central Italy, and southern Italy.

Still rich but more unequal?

Our first empirical question is about the overall trend of the net wealth of Italian households.

Figure 1 shows three different phases in the period taken into account. In the first phase, from 1993 to 2006, the amount of wealth increased. Then, in the second part of the decade (2006-2010), we observe a standstill in the accumulation process, with the level of private wealth remaining substantially stable. Finally, from 2010 onwards, a decline in net wealth begins. This trend is consistent with previous findings on household net wealth in Italy (Bank of Italy 2015; Cannari and D'Alessio 2006; Dagnes 2010). Therefore, although the median private wealth of Italian households grew between the first and the last year of observation – from about 135 thousand euros in 1993 to 143 thousand euros in 2014, values at constant 2014 prices – a large amount of wealth was created and consumed over the period considered. In sum, these first results are consistent with Hypothesis 1a, assuming a pre-crisis growth period and a period of adjustment or moderate downturn after the start of the crisis. Figure 1 also highlights the existent level of inequality in the distribution of wealth, by showing a relevant and apparently stable distance between the average and the median value, which in fact is an indicator of asymmetry.

To further investigate the wealth distribution trend, Figure 2 provides an accurate measurement of the level of inequality through the Gini index. We can thus observe that inequality in wealth has been increasing during the twenty-year period, with a decline in just the last two years. In sum, hypothesis 1b is confirmed only until 2012: the general Gini index for Italian households has increased from 0.59 in 1993 to 0.66 in 2012, while it dropped to 0.62 in 2014. This empirical evidence – though surprising at first glance – is actually consistent with an in-depth study by the Bank of Italy, showing on the one hand that average family net worth fell in real terms by 11 per cent between 2012 and 2014, and on the other hand that this dynamic was not uniformly distributed, since the wealth of the wealthiest families in the highest quintile dropped by 15 per cent (Bank of Italy 2015).

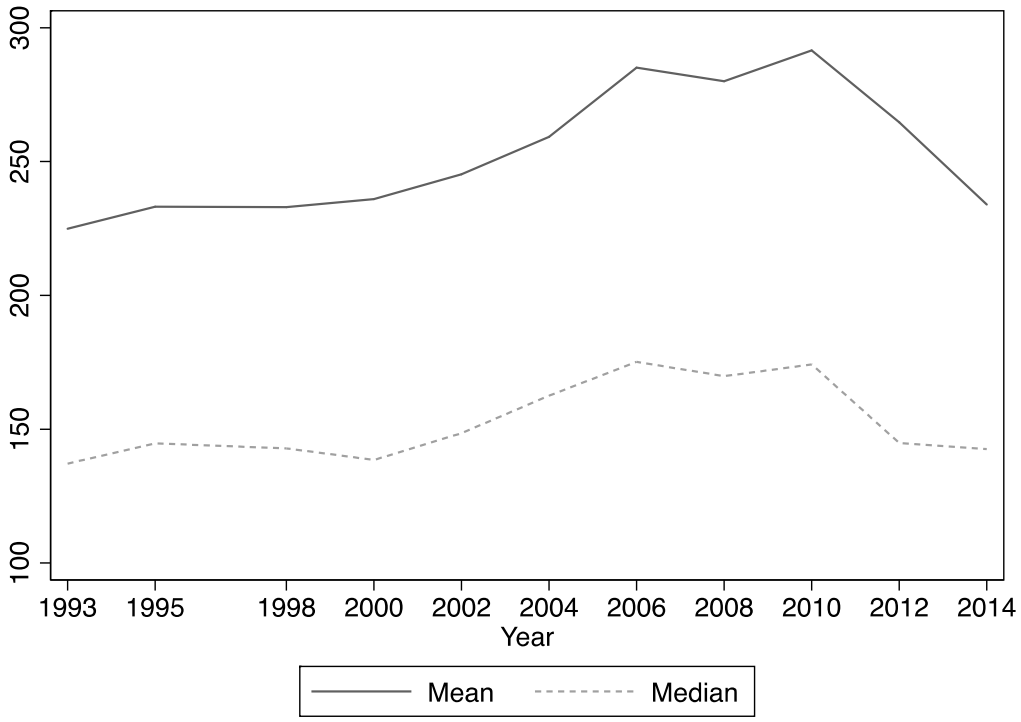

Figure 1 The Net Wealth of Italian Households: Mean and Median Wealth Expressed in 2014 Euros.
Source: SHIW data from 1993 to 2014. Weighted.

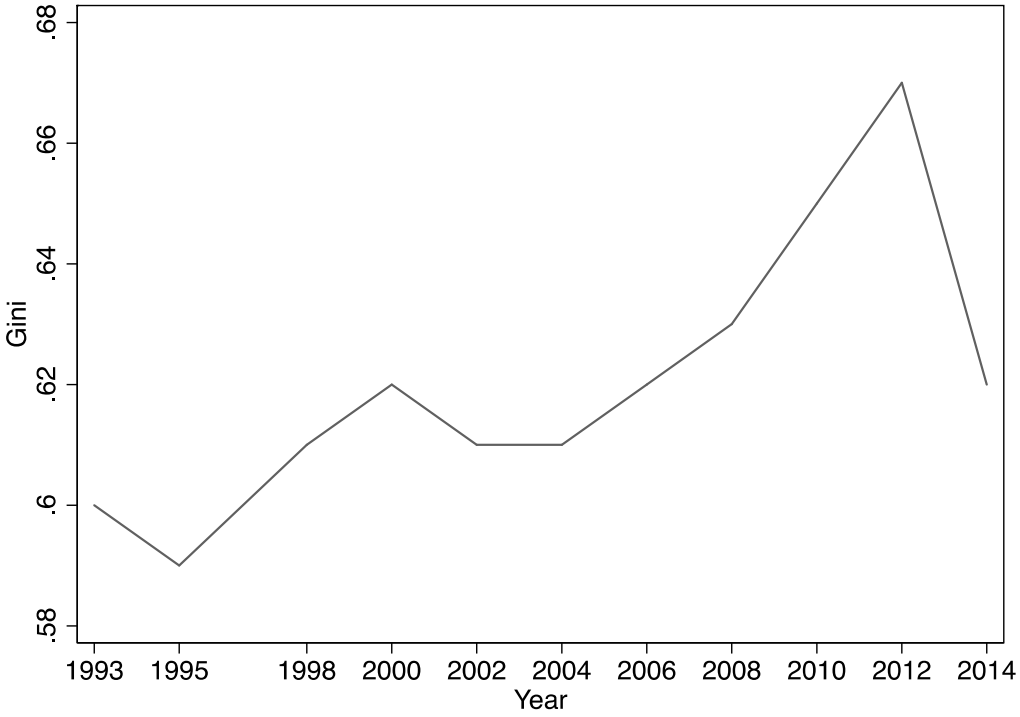

Figure 2 The Wealth of Italian Households: Gini Index of Wealth.
Source: SHIW data from 1993 to 2014. Weighted.

This scenario is confirmed by our data on trends in median wealth by social class, focused on our second empirical question (see Figure 3). We can first note that the class experiencing the most irregular trend in the period considered is the upper class. We can in fact observe a fall in its median household wealth until 1998, followed by a sharp increase in the first decade of the 21st century and a decline over the last two years (2012-2014). This irregular trend is probably attributable to the fluctuations in the real estate and financial markets, where the upper class holds significant assets.

Conversely, the other classes show relatively flat yield curves, with little or no changes until the early 2000s, and then a slight increase followed by an equally slight contraction. Nevertheless, the observed trends between social classes do not support hypothesis 2a, which claims a progressive differentiation between social classes in the process of wealth accumulation. In fact classes are distinct, but their distance is not significantly different if we consider the beginning and the end of the period. From this point of view, the crisis does not seem to have a relevant impact. Moreover, certain widely discussed questions such as the so-called "rise of the super-rich" (Godechot 2012), said to cause a polarization between those who have more economic resources, do not appear to have an empirical correspondence (perhaps partly because this trend is difficult to observe through a survey).

However, if we move to the internal distribution within classes, a differentiation emerges. As shown by Figure 4, the lower class has the highest heterogeneity for the entire period. Moreover, the lower class (along with the upper class) has also experienced the greatest increase in its unequal internal distribution. This development is at least partially in line with what was expected and described in hypothesis 2b, which assumes the emergence of a more unequal distribution of wealth within the lower class and the self-employed middle class. Indeed, lower class household wealth is mainly linked to income given by the position in the

labor market. The latter is affected not only by labor market deregulation but also by the economic crisis. Moreover, welfare retrenchment contributes to aggravating the situation for some households that were already disadvantaged. On the opposite side, the most homogenous class is the employed middle class, probably because it can benefit from guaranteed inclusion in the labor market. The self-employed middle class and – especially – upper class, by contrast, show a marked, though more erratic, increase in the Gini index, which can be attributed to the heterogeneous composition of these classes. The increasing domestic differentiation of the upper class is especially noteworthy, since it was not predicted in hypothesis 2b. We will return to this finding in the concluding section.

We can thus conclude that the crisis has led to a change in the inner structure of some of the classes. In this regard, it should be noted that the polarization process deeply concerns the lower classes. In other words, a certain proportion of lower class households has been severely affected by the current economic crisis, the uncertain labor market and welfare cuts. By contrast, there is another part – probably safer from the point of view of income – that can secure a higher level of wealth.

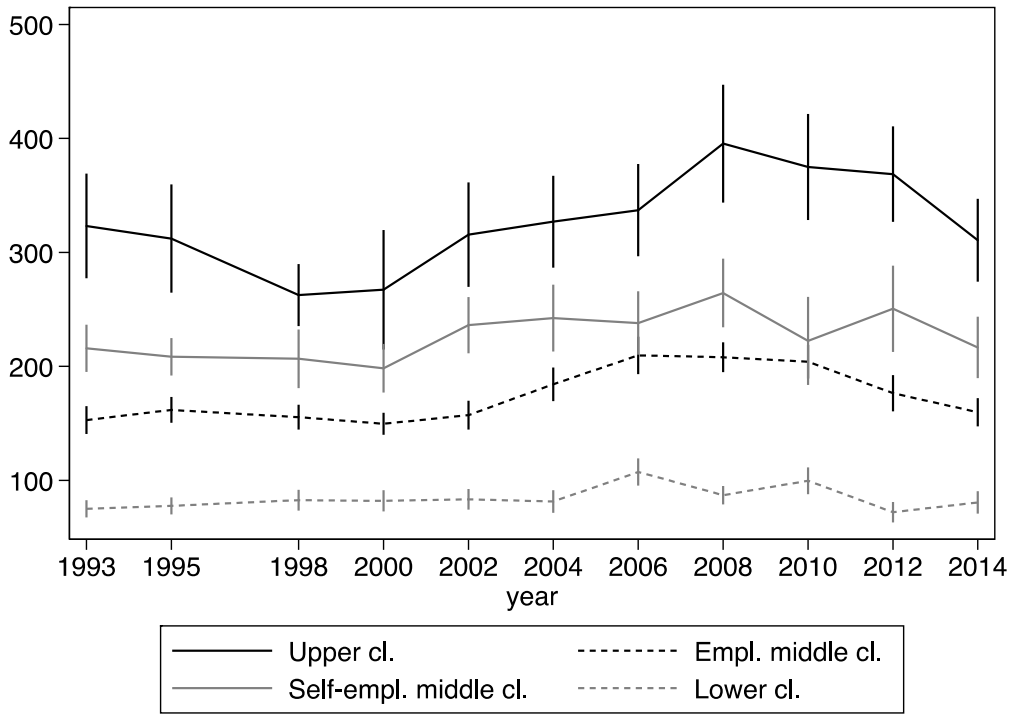

Figure 3 Median Regression of the Net Wealth of Italian Households Expressed in 2014 Euros by Social Class. Estimated Median with 95% Confidence Intervals.
Source: SHIW data from 1993 to 2014. Weighted.

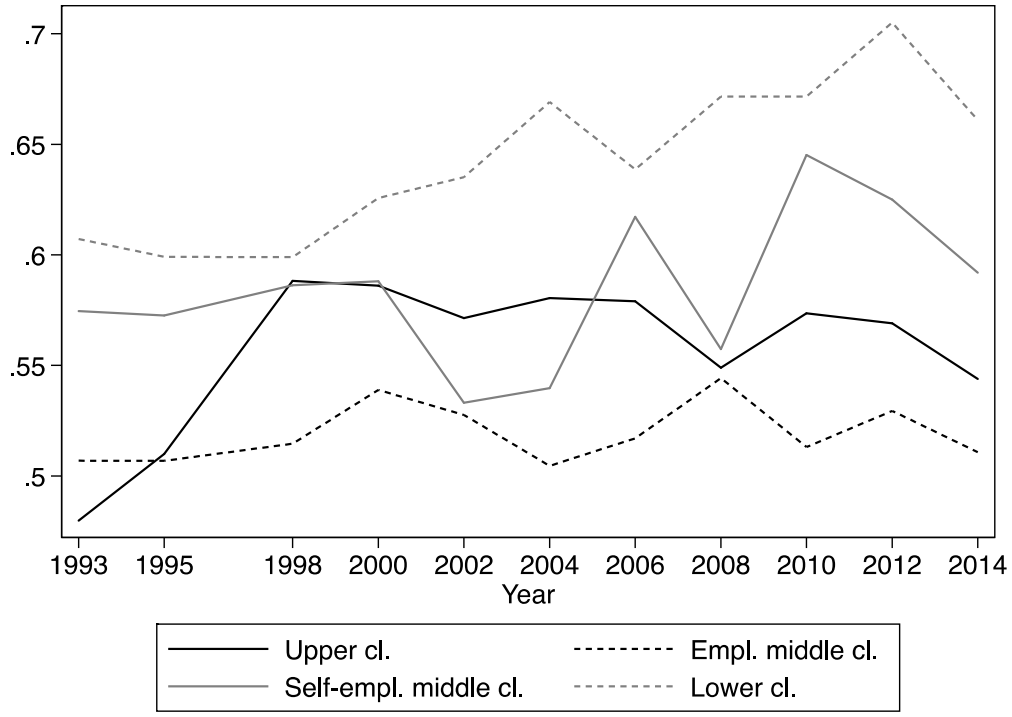

Figure 4 Gini Index of the Net Wealth of Italian Households by Social Class.
Source: SHIW data from 1993 to 2014. Weighted.

Discussion and conclusion

In this paper, we assumed that wealth is an increasingly crucial component for observing several dynamics concerning social inequality. From this perspective, we investigated the medium-term trends in overall Italian household wealth and the relationship between social class and wealth by analysing SHIW data for Italy from 1993 to 2014. Two main patterns emerge from the empirical findings.

First, in the last twenty years, Italian households continue to report high net wealth, although in recent years the process of capital accumulation seems to have slowed, and since 2010 there has been a drop in the wealth of Italian households. At the general level, we thus found some plausible signs of difficulties in Italian households' saving capacity. At the same time, overall wealth inequality tended to increase until 2012 and started to decline afterwards, while remaining at a higher level than at the beginning of our observation period. However, our findings suggest that there has been no persistent social splitting process in wealth distribution by social class. Likewise, no real polarization of wealth has transformed Italian society into an hourglass-shaped structure: the middle classes are still in the middle of the stratification system. Social distances between classes have indeed decreased since 2012 – after growing for several years – mainly as a result of the downturn in the median wealth of the upper class. Though this drop was unexpected, it can be explained – as we have already claimed – by recalling the bursting of the real estate bubble and the turmoil in the financial markets.

Second, we find several puzzling tendencies in wealth distribution within social classes, although we have no empirical evidence of a generalized growth in social distances in recent years. The class in which there is a more unequal distribution of wealth is the lower one, and this has increased over time. In this respect, we can assume a crisis effect: in the Italian labor market, the loss of a job often results in long-term unemployment, especially for those with

few human capital resources and prior unskilled work experiences (Tronti and Gatto 2012). These households deal with unemployment by using their (already small) wealth resources. What happens within the middle classes is also relevant. Characterized by a similar internal distribution of wealth at the beginning of our period of observation, the middle classes then diverge: the inequality level is relatively low and stable within the employed middle class, while it is higher and growing within the self-employed group. Thus, in this phase of economic turmoil we see the aggregate effect of several trends at work, which likely operate at the micro level. Specifically, the cleavage between the employed and the self-employed has had an effect on the processes of wealth accumulation. Employees, who usually occupy more consolidated positions, seem to have been affected by the crisis in a uniform and non-dramatic way. Conversely, the self-employed middle class suffers more as a result of market tensions: with regard to the distribution of wealth, this group has differentiated internally, but has not fallen (its median wealth increases). Thus, it is plausible that some typical figures of the self-employed middle class are suffering in this regard: young professionals, those who are highly skilled and involved in volatile markets such as the services sector and the knowledge economy; some workers in traditional sectors, such as urban retail; small entrepreneurs in some district areas. These types of self-employed worker have seen their businesses' profit margins diminish and have therefore experienced a decline in their saving capabilities; at times, they have drawn on their accumulated wealth in an attempt to give fresh impetus to their businesses through new ad hoc investments.

To sum up the main steps of the analyses we can now construct a "social space" based on two Cartesian axes: the first being the level of wealth, while the second is the level of wealth inequality. We can then place our four classes in this space, on the basis of the latest available data from 2014 (Figure 5). This operation is primarily heuristic, as it highlights the relative positions and profiles of the classes. The "social depiction" provided by the figure, however, also suggests the relevance of analyzing both the amount and the distribution of household wealth in order to identify four social class positions correctly.

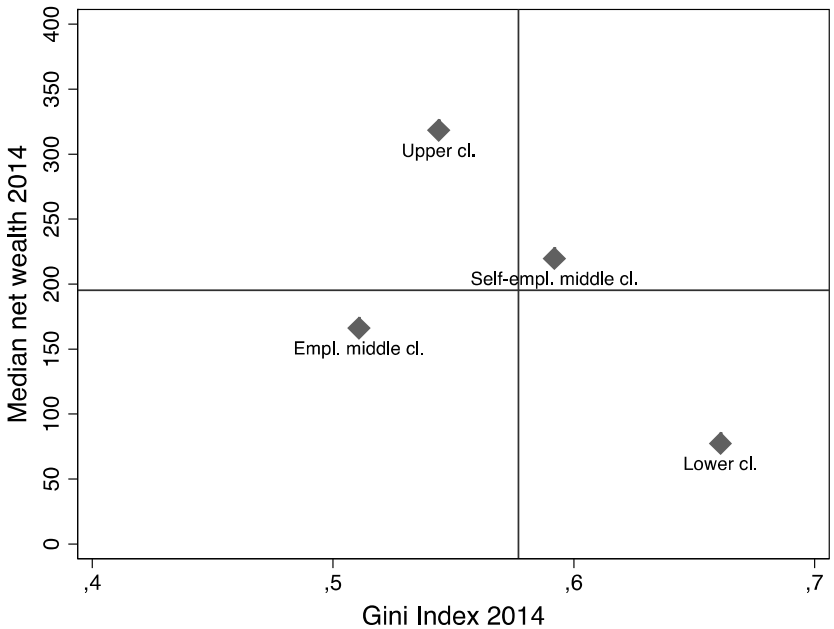

Figure 5 Net Wealth Amount and Wealth Inequality: Positions of the Four Social Classes.
Source: SHIW data 2014. Weighted.

Several suggestions can be drawn from Figure 5. We have already argued that the findings show an increasing domestic differentiation in terms of household wealth by classes, with the employed middle class being the one that most determines the amount of its members' wealth (e.g. this is the class with the lowest Gini index); by contrast, the within-class differences in wealth have dramatically increased in the upper class, lower class, and self-employed middle class. While this relation within each social class do not directly affect the overall level and trend of inequalities, it may turn out to have a huge impact on the processes of stratification and social mobility (Albertini 2013). This is consistent with Krugman's (1995) argument that wealth distribution is assuming a fractal-like character (i.e. it reproduces similar patterns at increasingly small scales). We found this to be true of Italian social stratification, with the sole exception of the employed middle class. In other words, the lower class and the self-employed middle class reproduce internally the household wealth distribution pattern we observe at the overall social level.

The issue is slightly different for the upper class, whose level of domestic differentiation is still moderately low, though it is increasing significantly over time. This latter tendency should be evaluated with some caution, however, because – as we have already mentioned – the internal polarization within the upper class might be difficult to observe through our empirical data. In fact, the literature has emphasized that in surveys concerning sensitive issues like income, wealth and property, the refusal to participate is not randomly distributed, but is more common among wealthier households (D'Alessio and Faiella 2002). Thus, this particular profile of non-respondents, combined with the relatively limited size of the sample, prevents us from empirically gauging the phenomenon of the super-rich, which according to recent studies is playing a pivotal role worldwide in defining the breadth of inequalities both in the whole population and within the upper class (Atkinson and Piketty 2010; Atkinson *et al.* 2011). Comparative data about the so-called top 1% – the top income earners – show that great differences exist between liberal market economies, i.e. the USA and UK, and coordinated market economies. In the first group, the share of income owned by the top 1% has grown steadily and consistently since the mid-1970s until recent years, passing from about 6% to over 13% in the UK and from about 8% to over 16% in the USA. In the second group, the share has started from a lower base and has increased at slower rates, growing no more than 2 percentage points from 1974 to 2009. Italy, which could be compared to coordinated market economies despite its unique features, has one of the highest rates of growth, +1.9% in 1974-2009; within this latter cluster of countries, the increase has been from 7.5% to 9.4% (Franzini *et al.* 2014, p. 15-16; Sayer 2014). Data about the wealth of the top 1%, although less systematically available for comparative purposes, confirm the effective role of the different capitalist models, nonetheless showing that wealth concentration worldwide is more unequal than that of income and increasing in the top circles of society in all the main advanced economies (Piketty and Zucman 2014; Sayer 2014). Further investigation of the origin and composition of wealth in the Italian top 1% would thus be useful to gain a better understanding of the processes of concentration of an asset that, as we have seen, has distinctive characteristics in the country.

We have already illustrated the factors underpinning the growing inequality within the self-employed middle class and within the lower class in this section. What effect could produce this process? Several scholars have already stated that the rise of the super-rich could generate a tiny but powerful social class acting unscrupulously and with little sense of responsibility towards political institutions (Franzini *et al.* 2014). This could be a concrete threat for the Italian social fabric, as it is already characterized by weak institutional and interpersonal trust. As regards the self-employed middle class and especially the lower class, their internal differentiation could fuel the "balkanization" of Italian society by creating a broader differentiation in the stratification structure. Moreover, given the low rate of relative social

mobility in Italy (Barone *et al.* 2011), the emerging forms of inequality tend to become persistent due to an intergenerational transmission process. As result, this process could further jeopardize social cohesion. Avoiding this outcome is chiefly a political challenge.

---

[1] Wealth has been observed at the macro level in greater detail: the large stock of wealth pertaining to nations or macro-areas (cf. Mazzaferro and Toso 2009). In addition, wealth has been investigated at the micro-dynamic level: wealth accumulation processes during the life-course (cf. Modigliani 1986) There is a lack of meso-empirical research, in which wealth is disaggregated for social classes and adopted as a proxy for observing social inequality or, at least, several dynamics internal to social classes (Brandolini *et al.* 2004).

[2] Another difficulty concerns the fact that while data about income are readily available on an individual level, and can then be aggregated on a family basis, in the case of the assets making up household wealth, the individual formal ownership frequently does not fully correspond to the beneficiaries of the asset. Consider the example of the family home: it can be formally owned by a single member, but it is the place where the whole family lives (Filandri 2015).

[3] Source: Istat 2016. Youth unemployment rate in EU-28 countries in 2015: 20.3% (source: Eurostat 2016).

[4] According to the Credit Suisse Global Wealth Report, "the highest values for median net worth can be found in Italy (€99,970), Belgium (€92,670) and France (€71,310)" (Skopek 2015, p. 66). Similarly, Italy is one of the eight richest countries in terms of the average amount of wealth per adult (Credit Suisse, 2016). Apart from circumscribed differences due to calculation techniques and contingent oscillations, trends in median net wealth show a similar tendency in different datasets, which all situate Italy in the top cluster worldwide in terms of household wealth (Skopek *et al.* 2014, p. 474; see also https://stats.oecd.org).

[5] According to Eurostat data, the gross household saving rate in 2005 was 14.7% in Italy, compared with an average of 11.2% in the European Union (cf. http://ec.europa.eu/eurostat/web/sector-accounts/data/quarterly-data). The national saving propensity of Italian households is still high compared to all other rich and developed countries, including non-European ones (Rocher and Stirle 2015).

[6] Bank of Italy data show that in 2000 Italian households had a debt rate equal to 30% of GDP, which was lower than the majority of advanced economies, e.g. France 46%, Germany 74%, United Kingdom 77%, United States 76% (Magri 2002).

[7] Previous research has shown that the unequal geographical distribution of bank branches, penalizing the South, and the perceived inefficiency of legal remedies for debt recovery have long been an obstacle to lending in Italy (cf. Magri 2002).

[8] According to census data, the home ownership rate in Italy is almost 80%, which is the highest value among G8 countries (Filandri 2015). This high rate can be traced to a number of factors, regarding cultural and socio-economic contextual features, and to public policies. Among others: the use of households' localized resources (land, buildings, and support networks) to ensure access to home ownership by their members; the character of a safe haven against inflation that domestic property had in the Seventies and Eighties; very little social housing; a broad tolerance of unauthorized construction.

[9] Italy had no property tax on principal homes until 1992, when such a tax was introduced during the first Amato government. After several reforms, it was fully abolished by the Renzi Government (2015).

[10] As explained below, the Bank of Italy survey collects information on wealth at the household level, since real and financial property are usually shared by all members regardless of their individual formal ownership.

[11] Since SHIW data do not include information about the former occupation of retired interviewees – information used to assign social class – retired households are not included in our sample.

[12] Details about the construction of the consumer price index and its use as a deflator index are available on the website of the Italian National Institute of Statistics: http://www.istat.it/en/archive/36294.

[13] To analyze wealth distributions, we use the Gini Index calculation that allows zero and negative values. For a comprehensive discussion see Cowell, Karagiannaki and McKnight (2012).

References

Albertini, M. 2008. "La trasmissione intergenerazionale delle disuguaglianze in Italia: classi sociali e il sostegno dei figli nelle prime fasi della vita lavorativa." *Sociologia del Lavoro* 110 187-199.

Albertini, M. 2013. "The relation between social class and economic inequality: a strenghtening or weakening nexus? Evidence from the last three decades of inequality in Italy." *Research in Social Stratification and mobility* 33 27-39.

Atkinson, A. B. & Piketty, T. 2010. *Top incomes, a global perspective*. Oxford: Oxford University Press.

Atkinson, A. B., Piketty, T. & Saez, E. 2011. "Top Incomes in the Long Run of History." *Journal of Economic Literature* 49(1): 3-71.

Bagnasco, A. (Ed.) 2008. *Ceto medio. Perchè e come occuparsene*. Bologna: Il Mulino.

Bagnasco, A. 2016. *La questione del ceto medio. Un racconto del cambiamento sociale*. Bologna: Il Mulino.

Bagnasco, A. & Storti, L. 2008. "Gli imprenditori dello sviluppo locale", in: *Ceto medio. Perchè e come occuparsene*, edited by A. Bagnasco. 255-283. Bologna: Il Mulino.

Ballarino, G. & Barbieri, P. 2012. "Disuguaglianze nelle carriere lavorative", in: *Disuguaglianze diverse*, edited by D. Checchi. 79-97. Bologna: Il Mulino.

Ballarino, G., Bernardi, F., Requena, M. & Schadee, H. 2009. "Persistent Inequalities? Expansion of Education and Class Inequality in Italy and Spain." *European Sociological Review* 25(1): 123-138.

Bank of Italy. 2015. "Household Wealth in Italy 2014." *Supplements to the Statistical Bullettin - Monetary and Financial Indicators* XXV(69).

Barbieri, P. 2011. "Italy: No Country for Young Men (and Women): The Italian Way of Coping with Increasing Demands for Labour Market Flexibility and Rising Welfare Problems", in: *Globalized Labour Markets and Social Inequality in Europe*, edited by H.-P. Blossfeld, S. Buchholz, D. Hofäcker & K. Kolb. UK: Palgrave Macmillan.

Barone, C., Lucchini, M. & Schizzerotto, A. 2011. "Career mobility in Italy." *European Societies* 13(3): 377-400.

Becattini, G., Bellandi, M. & De Propris, L. (Eds.) 2009. *A Handbook of Industrial Districts*. Cheltenham: Edward Elgar.

Berloffa, G., Filandri, M., Matteazzi, E., Nazio, T., Negri, N., O'Reilly, J. & Sandor, A. 2016. "Family strategies to cope with poor labour market outcomes'." *STYLE Working Papers* WP 8.2 CROME http://www.style-research.eu/publications/working-papers.

Bialowolski, P. & Weziak-Bialowolska, D. 2014. "The Index of Household Financial Condition, Combining Subjective and Objective Indicators: An Appraisal of Italian Households." *Social Indicators Research* 118(1): 365-385.

Biolcati-Rinaldi, F. & Sarti, S. 2015. "Individualisation and Poverty Over Time: The Italian Case (1985–2011)." *European Societies* 17(1): 47-72.

Bourdieu, P. 1986. "The forms of capital", in: *Handbook of Theory and Research for the Sociology of Education*, edited by J. G. Richardson. 241–258. New York: Greenwood Press.

Brandolini, A., Cannari, L., D'Alessio, G. & Faiella, I. 2004. "Household wealth distribution in Italy in the 1990s." *Temi di discussione del Servizio Studi - Banca d'Italia* 530.

Brunnermeier, M. K. & Nagel, S. 2008. "Do wealth fluctuations generate time-varying risk aversion? Micro-evidence on individuals' asset allocation." *The American Economic Review* 98(3): 713-736.

Busso, S. & Storti, L. 2013. “Social cohesion and economic development: some reflections on the Italian case.” *Modern Italy* 18(2): 197-217.
Cannari, L. & D'Alessio, G. 2006. *La ricchezza degli italiani*. Bologna: Il Mulino.
Ciccarone, G. & Saltari, E. 2015. “Cyclical downturn or structural disease? The decline of the Italian economy in the last twenty years.” *Journal of Modern Italian Studies* 20(2): 228-244.
Cowell, F. A., Karagiannaki, E. & McKnight, A. 2012. “Mapping and Measuring the distribution of household wealth: A cross-country analysis.” *GINI Discussion Paper* 71 http://gini-research.org/articles/papers.
Crainz, G. 2013. *Il paese mancato. Dal miracolo economico agli anni ottanta*. Roma: Donzelli.
Credit Suisse. 2012. *Global Wealth Databook 2012*. http://publications.credit-suisse.com.
Credit Suisse. 2016. *Global Wealth Databook 2016*. http://publications.credit-suisse.com.
Crouch, C. 2011. *The Strange Death of Neoliberalism*. Cambridge: Policy Press.
Culpepper, P. D. & Regan, A. 2014. “Why don't governments need trade unions anymore? The death of social pacts in Ireland and Italy.” *Socio-economic Review* 12(4): 723-745.
D'Alessio, G. & Faiella, I. 2002. “Non-response Behaviour in the Bank of Italy’s Survey of Household Income and Wealth.” *Temi di discussione del Servizio Studi - Banca d'Italia* (462).
Dagnes, J. 2010. “Il requisito della ricchezza”, in: *Restare di ceto medio. Il passaggio alla vita adulta nella società che cambia*, edited by N. Negri & M. Filandri. Bologna: Il Mulino.
Davies, J. B., Lluberas, R. & Shorrocks, A. F. 2016. “Estimationg the level and distribution of global wealth, 2000-14.” *WIDER Working Paper* 3 1-25.
Ehrenreich, B. 1989. *Fear of falling. The Inner Life of the Middle Class*. New York: Pantheon.
Filandri, M. 2015. *Proprietari a tutti i costi*. Roma: Carocci.
Filandri, M., Nazio, T. & O’Reilly, J. 2017. “Is any job better than no job?”, in: *Youth Employment: STYLE Handbook*, edited by J. O'Reilly, C. Moyart, T. Nazio & M. Smith. Brighton: CROME http://style-handbook.eu.
Franzini, M., Granaglia, E. & Raitano, M. 2014. *Dobbiamo preoccuparci dei ricchi?* Bologna: Il Mulino.
Franzini, M. & Pianta, M. 2015. *Explaining Inequality*. London: Routledge.
Franzini, M. & Raitano, M. 2011. “Conoscere e capire le diseguaglianze: un’introduzione ” *Meridiana. Rivista di storia e scienze sociali* 71-72 9-16.
Gallie, D. 2013. *Economic crisis, quality of work, and social integration: The European experience*. Oxford: Oxford University Press.
Gallup. 2016. *Worldwide, Median Household Income About $10,000*. http://www.gallup.com/poll/166211/worldwide-median-household-income-000.aspx.
Godechot, O. 2012. “Is Finance responsible for the rise in wage inequality in France.” *Socio-economic Review* 10 447-470.
Guiso, L., Jappelli, T. & Terlizzese, D. 1994. “Why is Italy’s saving rate so high?”, in: *Saving and the accumulation of wealth*, edited by A. Ando, L. Guiso & I. Visco. 23-69. Cambridge: Cambridge University Press.
Istat. 2016. *Rapporto Annuale. La situazione del Paese*. Roma: Istat.
Jappelli, T. & Pistaferri, L. 2000. “The Dynamics of Household Wealth Accumulation in Italy.” *Fiscal Studies* 21(2): 269-295.
Keister, L. A. & Moller, S. 2000. “Wealth inequality in the United States.” *Annual Review of Sociology* 26 63-81.

Krugman, P. R. 1995. *Peddling Prosperity: Economic Sense and Nonsense in the Age of Diminished Expectations*. New York: W.W. Norton.
Lucchini, M. & Schizzerotto, A. 2010. "Unemployment risks in four EU countries: a validation study of the ESeC", in: *Social class in Europe: An introduction to the European Socio-economic Classification,* edited by D. Rose & E. Harrison. 235-244. New York: Routledge.
Lucidi, F. & Raitano, M. 2009. "Molto flessibili, poco sicuri: lavoro atipico e disuguaglianze nel mercato del lavoro italiano." *Economia & lavoro* 43(2): 99-116.
Magri, S. 2002. "Italian households' debt: determinants of demand and supply." *Banca d'Italia. Temi di discussione (Economic working papers)* 454.
Magri, S. & Pico, R. 2012. "L'indebitamento delle famiglie italiane dopo la crisi del 2008." *Banca d'Italia. Questioni di Economia e Finanza, Occasional papers* 134.
Mazzaferro, C. & Toso, S. 2009. "The distribution of total wealth in Italy: 1991–2002." *Review of Income and Wealth* 55(3): 779-802.
Modigliani, F. 1986. "Life Cycle, Individual Thrift, and the Wealth of Nations." *the American Economic Review* 3 297-313.
Murray, M. C. & Pateman, C. 2012. *Basic income worldwide: Horizons of reform*. New York: Palgrave Macmillan.
Negri, N. & Filandri, M. (Eds.) 2010. *Restare di ceto medio*. Bologna: Il Mulino.
Pavolini, E., León, M., Guillén, A. & Ascoli, U. 2015. "From austerity to permanent strain? The EU and welfare state reform in Italy and Spain." *Comparative European Politics* 13(1): 56-76.
Piketty, T. 2013. *Capital in the Twenty-First Century*. Cambridge: Harvard University Press.
Piketty, T. & Zucman, G. 2014. "Capital is Back: Wealth-Income Ratios in Rich Countries 1700–2010." *The Quarterly Journal of Economics* 129(3): 1255-1310.
Rocher, S. & Stierle, M. H. 2015. "Household saving rates in the EU: Why do they di er so much?" *European Economy Discussion Papers* 005 1-36.
Saraceno, C. & Keck, W. 2010. "Can we identify Intergenerational Policy Regimes in Europe?" *European Societies* 12(5): 675-696.
Sayer, A. 2014. *Why We Can't Afford the Rich*. Bristol: Policy Press.
Sierminska, E., Brandolini, A. & Smeeding, T. 2006. "Comparing wealth distribution accross rich countries: First results from the Luxembourg Wealth Study." *Luxembourg Wealth Study Working Paper Series* 1 1-34.
Slopek, N. 2015. *Wealth as Distinct Dimension of Social Inequality*. Bamberg: University of Bamberg Press
Slopek, N., Buchholz, S. & Blossfeld, H.-P. 2014. "National patterns of income and wealth inequality." *International Journal of Comparative Sociology* 55(6): 463 - 488.
Stiglitz, J. E. 2009. "The global crisis, social protection and jobs." *International Labour Review* 148(1-2): 1-13.
Stiglitz, J. E. 2012. *The price of inequality: How today's divided society endangers our future*. New York: W.W. Norton & Company.
Trigilia, C. 2012. *Non c'è nord senza sud. Perché la crescita dell'Italia si decide nel Mezzogiorno*. Bologna: Il Mulino.
Tronti, L. & Gatto, R. 2012. "Measuring the long wave. Unemployment, discouragement and semi-employment in Italy during and after the crisis", in: *Social Exclusion. Short and Long Term Causes and Consequences,* edited by G. Parodi & D. Sciulli. 171-198. Heidelberg: Physica Verlag.
Warren, E. & Warren Tyagi, A. 2003. *The Two Income Trap: Why Middle-Class Parents are Going Broke*. New York: Basic Book.

Whelan, C. T. & Maître, B. 2013. “Material deprivation, economic stress & reference groups: An analysis of EU-SILC 2009.” *European Sociological Review* 29(6): 1162–1174.
Wooldridge, J. M. 2002. *Econometric Analysis of Cross Section and Panel Data*. Cambridge and London: MIT Press.
Wright, E. O. 2005. *Approaches to class analysis*. Cambridge: Cambridge University Press.

Appendix

Table A1. Median regressions on the total amount of household wealth net.

	1993	1995	1998	2000	2002	2004	2006	2008	2010	2012	2014
Class of the household											
Upper class	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Empl. middle class	-170.29***	-150.32***	-107.11***	-117.57***	-158.36***	-142.62***	-127.45***	-187.36***	-170.79***	-192.22***	-150.82***
	-24.13	-24.87	-14.95	-27.1	-24.18	-21.74	-21.99	-27.11	-24.96	-22.85	-19.55
Self-empl. middle class	-107.26***	-103.73***	-55.86***	-68.89**	-79.42***	-84.53***	-99.04***	-131.02***	-152.49***	-118.15***	-93.97***
	-25.64	-25.6	-19.13	-28.81	-26.52	-25.23	-24.91	-30.42	-30.85	-28.71	-23.02
Lower class	-248.13***	-234.53***	-179.92***	-185.21***	-232.21***	-245.46***	-229.69***	-308.41***	-275.20***	-296.57***	-230.00***
	-23.66	-24.47	-14.63	-27.08	-23.73	-20.94	-21.08	-26.58	-24.61	-21.96	-19.24
Size of the household											
1 member	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
2 members	19.41	23.08	24.2	14.98	5.36	20.55	46.53**	1.65	0	1.72	-1.81
	-14.88	-15.96	-18.6	-11.98	-10.5	-14.17	-18.87	-11.42	-11.69	-8.02	-12.44
3 members	57.62***	46.48***	44.25**	47.96***	46.37***	70.36***	82.95***	26.54**	43.79***	48.97***	27.17**
	-14.6	-16.5	-18.04	-13.74	-13.71	-14.39	-17.27	-11.55	-15.58	-12.03	-13.83
4 members	63.29***	59.50***	64.46***	53.76***	54.25***	61.57***	94.61***	35.54***	52.64***	52.23***	43.17***
	-15.36	-16.45	-18.78	-13.69	-14.23	-14.74	-19.63	-13.54	-15.71	-12.74	-15.06
5 or more members	63.98***	63.36***	58.73***	54.47***	37.71*	39.98**	86.71***	11.63	14.06	32.62	15.18
	-17.43	-18.79	-21.2	-16.06	-20.91	-18.15	-23.77	-18.57	-23.99	-20.28	-17.68
Childlessness											
Yes	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
No	-17.75*	-9.86	-4.64	-1.91	-0.44	-14.05	-11.81	1.97	5.63	-23.30**	-2.86
	-9.41	-8.55	-9.73	-9.42	-11.14	-12.12	-15.1	-10.43	-11.99	-10.63	-10.67
Number of earners											
One	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Two	31.40***	17.71***	16.26**	27.88***	39.18***	18.60*	14.06	32.25***	34.57***	31.69***	49.18***
	-6.87	-6.73	-7.31	-7.56	-8.13	-9.51	-13.15	-7.4	-10.42	-8.78	-8.65
Three or more	18.01	39.63***	33.23***	36.06***	35.26**	50.24***	31.06*	68.80***	50.22***	39.78***	58.82***
	-11.22	-9.9	-11.63	-11.09	-13.83	-14	-18.87	-13.04	-15.74	-14.98	-14.93
Age of the household											
Up to 29 y.o.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
39-54 y.o.	51.89***	47.60***	45.99***	40.87***	36.64***	30.94***	53.26***	36.69***	64.96***	30.04***	47.82***
	-6.88	-6.33	-7.39	-6.86	-8.26	-7.77	-7.81	-6.91	-9.51	-7.28	-7.86
55 y.o. and over	53.82***	49.46***	68.23***	78.53***	79.03***	81.06***	83.85***	120.67***	129.61***	96.39***	88.20***
	-9.79	-8.87	-11.87	-9.88	-11.09	-11.32	-13.44	-9.22	-12.86	-11.09	-10.59
Area of residence											
North Italy	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Center Italy	22.65**	9.7	-25.39***	-16.29	-15.8	24.39	34.28**	30.56**	-0.97	20.27**	12.82
	-10.59	-9.64	-9.8	-10.8	-10.16	-16.55	-15.45	-13.87	-12.73	-9.89	-10.95
South Italy	-28.34***	-48.74***	-59.72***	-53.89***	-59.60***	-49.97***	-61.17***	-30.72***	-48.88***	-25.82***	-18.86**
	-6.26	-6.11	-7.24	-7.25	-6.72	-7.62	-8.75	-4.49	-8.92	-6.86	-7.52
Costant	231.08***	233.63***	191.54***	190.63***	241.11***	248.51***	231.41***	308.52***	275.20***	296.07***	217.68***
	-26.1	-27.77	-21.11	-28.38	-24.45	-21.6	-21.28	-27.01	-26.11	-22.98	-20.91
N	5285	5259	4686	5039	4734	4725	4513	4551	4519	4387	4135

Source: SHIW data from 1993 to 2014. Weighted.