

ZEPPELIN UNIVERSITY

HUMBOLDT PROJECT

Financial Development and Income Inequality

A Meta-Analysis

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January 31, 2019

Abstract

The effect of financial development on income inequality has been increasingly discussed over the past years. Besides dissent theoretical considerations regarding the effect, multiple empirical studies have taken up the topic. The results are heterogeneous. The study at hand presents a meta analysis of 12 studies all of which examine the effect of financial development on income inequality. Overall, the 273 estimates from those 12 studies do not reveal substantial evidence for genuine empirical effect. The evidence concerning a publication bias is mixed.