

**GLOBALIZATION, TECHNOLOGY AND INCOME INEQUALITY:
NEW EVIDENCE**

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ABSTRACT

Employing state-level panel data on 48 States from 1988-2003, we estimate the impact of globalization and technology advances on U.S. States' income inequality. The results obtained from using various econometrics models reveal that inward FDI measured by FDI-related employment has positive and statistically significant effects on five out of six U.S. States' income inequality measures. With first difference estimators, we find some evidence that trade has a positive and statistically significant effect on top-income shares, though there is no evidence on the impact of technology on income inequality.

**KEY WORDS: INCOME INEQUALITY / GLOBALIZATION /
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