A new debate is raging on an old subject: How fair is America?

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Economists are disputing anew an essential question about American society: How fairly has the past half-century's prosperity been distributed?

Research about to be published by two economists at Treasury and Congress's Joint Committee on Taxation, Gerald Auten and David Splinter, suggests that it may not be as lopsided as social scientists had come to believe, with big implications for U.S. anti-poverty policy, the United States' economic model — and even how Americans see themselves.

In 2019, they estimated, the richest 1 percent of Americans drew roughly 14 percent of the nation's income, before taxes and transfers from government programs. After including the effects of government redistribution, their share dropped to 9 percent, just slightly more than in 1960.

Their analysis has been received as a radical recasting of U.S. inequality, challenging the belief built over the past two decades that the top has been chewing off an ever-bigger share of the pie. According to work by economists Thomas Piketty, Emmanuel Saez and Gabriel Zucman, by 2019, those in the top 1 percent were taking about 15 percent of national income after taxes and transfers, up from about 9 percent in 1960.

Mr. Auten and Mr. Splinter's numbers have elicited backlash. "Inequality denial is a dead end from a scientific viewpoint, just like climate denial," Mr. Piketty wrote in an email. Still, their estimates are plausible, based on different but hardly unreasonable assumptions about how to allocate all the bits of national income that do not show up on tax returns.

Mr. Piketty, Mr. Saez and Mr. Zucman, for instance, assume that business income not reported to the IRS is distributed the same way as reported business income — which would imply that the 1 percent takes about half. Mr. Auten and Mr. Splinter argue, based on studies of IRS audits, that it is much more equitably distributed. Notably, a big chunk of the nondisclosed income is from businesses that report negative income — that is, a loss.

Most important, though, is how a new view of income distribution might change diagnoses of American society. Although the gap between the estimates is certainly significant — the 1 percent pulls roughly $1.1 trillion less per year in Mr. Auten and Mr. Splinter's view than in Mr. Piketty, Mr. Saez and Mr. Zucman's — the new research may not represent much of a break with other estimates of inequality.

Consider the distribution of income across the entire spectrum. This is often measured by the Gini index, which represents how the actual distribution of income deviates from the line of perfect equality, where everybody gets the same. It ranges from zero in a perfectly uniform society to 1 in a society in which all income accrues to the top dog. Mr. Auten and Mr. Splinter estimated that between 1970 and 2019, America's Gini rose from about 0.42 to 0.54, before taxes and transfers. Including the effect of government redistribution, it rose from 0.35 to 0.42.

This speaks well for American redistribution — pushing back against market forces driving up inequality. But the numbers are also pretty similar to preexisting work. The Luxembourg Income Study, which estimates inequality based on survey data (rather than official government data, as Mr. Auten, Mr. Piketty et al. do), finds that the U.S. Gini index rose from 0.40 to 0.51 before taxes and transfers over this period and from 0.32 to 0.39 after redistribution is added in.

America's story might be due for some reinterpretation. Perhaps the very rich do not take quite as large a slice of the pie as many thought. Still, the "new" version of the United States remains a remarkably unequal place, more so than most other industrialized countries. According to data from the Luxembourg study, Norway's Gini, after adding in taxes and transfers, is 0.28; Canada's is 0.29, Germany's is 0.30 and Britain's is 0.30. Of the 38 countries in the Organization for Economic Cooperation and Development, only four are more unequal: Chile, Costa Rica, Mexico and Turkey.

This inequality matters, going hand in hand with the United States' poverty rate, which is higher than peer nations'. Whether measured by obesity, life expectancy, infant mortality, maternal mortality, the incidence of hepatitis B, or the number of accidental poisonings or suicides, the United States is an outlier, worse off than peer nations. And it's Americans on the lower rungs of the socioeconomic ladder who suffer most.

America's exceptional inequality may not directly cause these conditions, but together the numbers sketch out a picture of a nation that looks less fair than others. The economists' new debate, in which government programs to reduce poverty and improve health and living conditions feature as key inequality-lowering factors, also points to a central feature of any response: making those programs more robust, efficient and effective.