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Inequality and graph calculator

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The ways that inequality are measured from doubt inequality or income distribution machiners are used by social scientists to measure the distribution of income and economic inequality between the participants in a particular economy, such as a specific country or the world in general. While different theories may try to explain how income inequality arises, income inequality machines simply provide a measurement system used to determine the dispersion of income. The concept of inequality is distinguished from poverty [1] and justice. The income distribution has always been a central concern of economic theory and economic politicians. Classical economists like Adam Smith, Thomas Malthus and David Ricardo were mainly concerned about the factor's income distribution, that is, the income distribution among the main production factors, earth, work and capital. It is often related to the distribution of wealth, although separate factors influence the inequality of wealth. Modern economists also addressed this issue, but were more concerned about income distribution in individuals and domiciles. Important technical and political concerns include the relationship between income inequality and economic growth. The economic inequality of the article discusses the social and political aspects of income distribution issues. Defining income All the documents described below are applicable â € â € œ To evaluate the distributive inequality of various types of resources. Here the focus is on income as a resource. As there are several forms of "income", the type of income investigated should be clearly described. One form of income is the total amount of goods and services that a person receives, and so there are no money or money involved. If a subsistence farmer in Uganda grows his own grain, he will count on income. Services as public health health and education are also counted. Many times spent or consumption (which is the same in an economical sense) is used to measure income. The World Bank uses the so-called "Pattern Life Surveys" [2] to measure income. These consist of questions with more than 200 questions. Research has been completed in most developing countries. Applied to the analysis of income inequality within the countries, "yield" often means tax profit by individual or by household. Here, income inequality measures can also be used to compare income distributions before and after taxation in order to measure the effects of progressive tax rates. Properties of inequality in the discrete case, an economic inequality can be represented by a function I (x), where x is a set of nonomic values (for example, wealth or income) x = {x1, x2, ..., xn} with XI being the economic value associated with the "economic agent" i. In the economy literature on the inequality Four properties are generally postulated that any measure of inequality must meet: anonymity or symmetry This assumption states that a medication of inequality does not depend on the "labeling" of individuals in a Economy and all that matters is the distribution of income. For example, in a composite economy of two people, Mr. Smith and Mrs. Jones, where one of them has 60% of income and the other 40%, the media of inequality should be the same if Mr. Smith or Mrs... Jones who have a 40% share. This property distinguishes the concept of righteous inequality, where it has a certain level of income and how it was acquired is central importance. A mÃ © inequality trica Ã © one declaraÃ§Ã £ simply on income Ã © distribuÃda, do £ about who the particular people in the economy sÃ £ o or what kind of income they "deserve." This is usually expressed mathematically as: i (p (x)) = i (x) {\ Displaystyle I (p (x)) = i (x)} Where P (x) X permutation; Independence of the scale or homogeneity This property says that the income economies should not be automatically considered more unequal by the construct. In other words, if The income of the person in an economy is duplicated (or multiplied by any positive constant), then the general medical of inequality should not change. Of course the same thing applies to poorer savings. Income income member should be independent of the income level. This can be declared as: i (A x) = i (x) {\ Displaystyle i (\ alpha x) = i (x)} where is a real positive number. Independence of the population in the same way, the media of income inequality should not depend on whether an economy has a large or small population. An economy with only a few people should not be tried automatically by the most equal to that a great economy with many people. This means that the media should be independent of the level of population. This is usually written: I (x es x) = i (x) {\ Displaystyle i (x \ cup x) = i (x)} where x \ â ˆoàaã} x {\ Displaystyle x \ cup x} It is the X union with (a subpaper). Principle of transfer because - Dalton, or principle of transfer, is the assumption that makes a medication of inequality in fact a measure of inequality. In his weak form, he says that if any income is transferred from a poor person while still preserving the order of income ranks, then the inequality measure should not increase. In its strong form, the measured level of inequality should decrease. Other useful properties, but not obligatory, include: Negativity Negativity i (x) is greater than or equal to zero. Eggalitarian Zero The Innice I (x) is zero in the same case, when all XI values are the same. Limited above by the maximum inequality, the Innice I (X) reaches its maximum value for the maximum inequality (All XI are zero, except one) This value is usually unit as the number of infinite agents. Subgroup decomposibility [3] This property states that if a set of agents X is divided into two dispatching subassemblies (Y and Z), Oi (x) is expressed as: I (Y, Z) = WY (Y, Z) = WY (Y, Z) + WZ (Y, Z) I (Z) + W â¼â (Y, Z) I (â¼â Y, QQ) {\ Displaystyle I (Y \ Cup Z) = W_ {y} (Y, Z) I (Y) + W_ {z} (Y, Z) I (Z) + W_ {} (Y, Z) I ({\ MU _ {Y}, \ MU _ {z} }) } Where â¼â (x) and â¼â (y) are the XE Y renders y. Â¼â = 1 n _ nxi {\ displaystyle _ {x} = {{\ frac {1} {n}} \ sum _ {1} {n} x _ {i}} and the functions W Fun Pondage scalar of the YE Z sets. In a stronger statement, WY = ÃO / Ã¼l and WZ = Ã®z / âx. Common Income Income Membership among the most common medications used to measure inequality are the Gini (also known as Gini coefficient), the oil and the ndex hoover. They have all four properties described above. An additional property of a media of inequality that can be desirable from an empathical point of view is the "decomposition". This means that if a specific economy is divided into sub-regions, and a medication of inequality is calculated for each subregion separately, then the measure of inequality for the economy as a whole must be a © Weighted Day of regional inequalities, plus a term proportional to inequality in the regions of the regions. (More weakly means that it should be an explanatory function of subregional inequalities, although not necessarily linear). Of the upside, only the oil has this property. As these income inequality inequality are summarized statistically that seek to add a total income distribution in a single index, information on measure inequality are reduced. This reduction of information, of course, is the goal of calculating measures of inequality as it reduces complexity. A weaker reduction in complexity is reached if income distributions are described by total income. Instead of indicating an unique measure, society under investigation is divided into segments, such as in quintiles (or any other percentage of Typically, each segment contains the same portion of income winners. In the case of an unequal income distribution, the income actions available in each segment are different. In many cases, the The above mentioned seconds are calculated from such segment data, without evaluating inequalities within the segments. The higher the number of segments (such as decisions instead of quintans), closer to inequality measure of distribution is true inequality. (If inequality within the segments is known, total inequality can be determined by those medical inequality that have the property of being "decomposite".) Quintile measures Inequality satisfy the principle of transferring of only in its weak form because Any change in income distribution outside the relevant fifths are not captured by these measures; Only the distribution of income among the very rich and the very poor matters while inequality in the midst does not play any role. The details of the three measures of inequality are described in the respective articles of WikipÃ © day. Subsections then cover them only briefly. Gini Coefficient Main article: Gini PIB per capita per capita PPP per VS Gini Innex in Parts Main article: Gini Coefficient The Gini Innex is a statistical summary that measures how equivably a resource is distributed in a population; income is a primary example. In addition to a presentation independent of Gini's index, we give two equivalent ways to interpret this statistical summary: first in terms of the percentage level of the person who earns the dexing, and second in terms of a as the smallest of two randomly chosen yields compare, in mother, mother income. [4] The Gini is the sum, on all the populations of percentiles ordered-income, the equal-share, of the equal-share, of the income accumulated to every population-percentile, with that dÃ©Ficit summed up divided by the greatest value he could have, with complete inequality. The range of Gini's inex is between 0 and 1 (0% and 100%), where 0 indicates the perfect equality and one (100%) indicates maximum inequality. Gini's inex is the most common used inequality inequality. The reason for your popularity is that it is easy to understand how to calculate the Gini's index as a proportion of two areas in Lorenz curve diagrams. As a disadvantage, the only Gini's inex ranging a number for the properties of a diagram, but the diagram itself is not based on any model of a distribution process. The "meaning" of the Gini's inex can be empirically understood. In addition, the Gini does not capture where in distribution occurs inequality. As a result, two very different distributions of income can have the same Gini inex. 20:20 GDP Capita PPP by vs. 20:20 Proportion in countries The proportion 20:20 or 20/20 compares the richer of the top 20% of the populations are less than 20% of a certain population. This may be more revealing of the actual impact of inequality in a population, since it reduces the effect on the status of extreme values at the top and in the background prevents the medium from 60% from statistically obscuring inequality © Urvio in the field. The measure is used for the United Nations Human Development Development Development Program. [5] [6] The proportion of 20:20, for example, shows that Japan and Sweden have a low equality gap, where 20% richer only earns 4 times 20% poorer, while That in the United Kingdom the relationship is 7 times and in the US 8 times. Some believe that the proportion 20:20 is a more useful measure, because it correlates well with human development measures and social stability, including the child well-being, [7] the sound of health problems and social, [8] population in prison, [9] physical health, [10] mental health [11] and many others. [12] Palm GDP Capita PPP Per vs Palma Rácio in countries The palm relationship is defined as the reasons among the 10% participation of the national income population create divided by the participation of 40% poorer. [13] It is based on the work of Chilean Economist Gabriel Palma who discovered that the of the middle-class class almost always represent about half of gross national income, while the other half is divided between the richest 10% and the poorest 40%, but the participation of these two varies greatly considerably Bags. [14] The addresses to the Gini Palma's index is excessive sensitivity to changes in the middle of the distribution and insensitivity to the changes in the upper and lower, [15] And therefore, more precisely reflects the economic impacts of income inequality in society as a whole. Palma suggested that distribution policy mainly belongs to the fight between rich and poor, and that the side the middle classes with [14]. The relationship of carbon palm, which is derived from the relationship of lace and described as the interaction between the total emissions of the top 10% of the issuers for the bottom 40 %, It is proposed as a new indicator to inform the international community and public public about the inequality of distribution of carbon emissions between individuals. The index is calculated inside and among the countries that use an elastic relationship between the individual emissions and income. The results show that carbon palm in most developing countries are generally high, which implies that they should focus more on the coordination of regional and income inequalities and mainly encouraging large issuers to reduce in order to increase emissions and equity of income at the same time. Carbon palm racings in developed countries are comparatively lower; However, their greatest historical obligations for heating indicate that they significantly reduce the emissions of all people in order to increase national contributions of systematically mitigating mitigation. On a global scale, the current proportion of carbon palm is visibly higher than in any country, which indicates extremely severe inequality in global within emissions are considered limits outside territorial. [16] In the NdEx State of perfect society. In a perfectly world, without resources would have to be redistributed to achieve an equal distribution: a Hoover 6-year in a world where all income was received by only one family, would have to be redistributed almost 100% of this income (ie taken and given to other families) in order to achieve equality. Hoover's index, then ranges from 0 to 1 (0% and 100%), where 0 indicates perfect equality and one (100%) indicates maximum inequality. Galt scoring the score Galt is a simple relationship of a CEO CompanyÃ ¢ s for the payment of median worker from that company. A company that pays your CEO many times more than your meter employee will have a high scoring Galt. It is named for the fictional character John Galt in the romance of Ayn Rand Atlas Shrugged (1957). The score is calculated by the total remuneration of the CEO, including salary, BÃ'NUS, the value of the activities in actions and optional actions, as well as the non-equity incentive plan, and not qualified postponement. Coefficient of Variation Main article: Coefficient of variation The coefficient of variation is the square root of the variation of the income divided by the mother income. It has the advantages of being mathematically treated and your square is decomposable subgroup, but it is not limited from above. Participation of the salary See Main article: Share Share Salary Salary is the relationship between the remuneration of the employees and GDP. In other words, it is the total incomes of employees divided by national income. Theil Innice Main article: Theil's Innex Theil L Formula represents the logarithm of the geometric-significant geometry: (significant yield) / (revenue I), along all income included in the economy I... obviously a relevant fact for any income strip on the same side of the mother's income. ... showing that this form of theil has Obvia, intuitive, plausible and natural, in addition to just be justified in terms of entropy... because a transfer of a greater income to a smaller will change the proportion of the lesser income more than this changes proportion of the higher income, the It is satisfied for this inex. Of course, if desired, a pondering factor, such as (significant yield) / (yield i) may be included in the terms of the sum (as in the elmula Theil-T above, with the inverted income) to Doing the index preferably sensitive to changes in smaller income in Theil T, logarithm of each income-reasons is weighted by a factor equal to reasons income. And therefore, if the proportion is equal to 2, then the index is affected, as if there were two of that person. ... a reasonable pondering if the importance of each rational income is considered proportional to its own value ... the factor for which a determined differs income from the mother income. The oil of the oil of 0 indicates perfect equality. An Theail of 1 indicates that the distroping of distribution of the system under investigation is almost similar to a system with a distribution 82:18. [17] This is slightly more unequal than inequality in a system for which the "Pareto Principle 80:20" applies. [18] Theil's Innex can be transformed into an Atkinson's index, which has a range between 0 and 1 (0% and 100%), where 0 indicates perfect equality and one (100%) indicates maximum inequality . (See widespread entropy for transformation.) Theil's index is a measure of entropy . As for any distribution of resources and reference to information theory, "maximum entropy" occurs once income wage earners can not be distinguished by their resources, that is, when there are Perfect equality. In real societies that people can be distinguished by their different resources, with resources being income. The more "distinguishable" they are, less is the "real entropy" of a system consisting of income and wage income. Also based on information theory, the difference between these two entropies can be called "redundancy". [19] He behaves as a negative entropy. For the oil of theil too the term had been used "Theil entropy". This caused confusion. As an example, Amartya Sen commented on Theil's index, "given the association of misfortune with the entropy in the context of the thermodynamic, it may take a little time to get accustomed to the entropy as a good thing. " [20] It is important to understand that an increase in Theil's performance does not indicate a growing entropy, instead indicates a (decreasing entropy) the increase in redundancy. High inequality produces high redundancies theil. High redundance means low entropy. But this does not necessarily imply that a high inequality is "good" because very low entropies can also lead to explosive compensation processes. Nor does it use the oil of theil necessarily implies that a very low inequality (low redundance, high entropy) is "good" because high entropy is associated with slow, weak and inefficient resource assignment processes . There are three variants of Theil's index. When applied to revenue distributions, ThEil's first index refers to systems in which yields are distributed to stochastically elements of yield, while the second theater's seconds refers to systems in which healthy income Distributed for stochastically income. A Third "Simetrized" They's "symmetry is the arithmerther day of the two previous indemnices. The Third Theater Formula has some similarity with Hoover's index (as explained in related articles). As in the case of Hoover's index, the symmetrized theil's index does not change when income despite with income salaries. As to generate this third Theail in a calculation sheet calculation directly from distribution data is shown below. An important property of Theil's index that makes your application popular is your decomposability in the component between groups and within the group. For example, the oil of theil of General Income may be decomposed into between regional components divide in two quantis ("fractleis"). Here, the inex Hoover and Theil are equal to a value of about 0.46. The red curve shows the difference between the oil and the ndex hoover as a function of the ndex hoover. The green curve shows the oil itheil divided by the Hoover index as a function of the ndex hoover. Do not exceed this minimum size would require a perfectly planned redistribution. Therefore, the inex Hoover is the counterparty "not Stock" for Theil "Stochastic". The Application of Theil's Inntion for the Real World Allocation Processes does not imply that these processes are Stocking: TEIL produces the distance between a resource distribution Ordered in a system observed for the final stage of the distribution of stocking resources in a closed system. Likewise, the application of the Hoover index does not imply that the allocation processes occur in a perfectly planned economy: the Hoover's index produces the distance between the distribution of resources on a system observed for the final phase of a planned "equalization" distribution of resources. For both in everyday, this equalization only serves as a reference, not as objective. For a given distribution, the oil may be greater than the index hoover or less than the ndice hoover: for high inequalities, the oil is larger than the index hoover. This means to achieve balance (maximum entropy) in a closed system, more resources would have to be realized than in the case of a planned and optimized realocity process, where only participation necessitious minimum of resources have to be realized. For an open system, entropy exports (redundancy imports) would maintain the distribution dynamics driven by high inequality. At low inequalities, the oil is smaller than the Hoover Index.Aqui, on the way to reach the balance, a planned and optimized resource relocation would contribute more to the Dynamics of Redistribution than the stocking redistribution. This is also intuitively understable, since the low inequalities also weaken the desire to redistribute resources. People in such a system can tolerate or act an increase in inequality. As this is, it would have an increase in redundance (a decrease in entropy), redundancy would have to be imported into entropy would have to be exported) from society. In this case, society needs to be an open system. In order to increase redundance in the distribution category of a society as a closed system, entropy needs to be exported from the subsystem operating in this economy category for other subsystems with other categories of entropy in society. For example, social entropy may increase. However, in the real world, societies are open systems, but the opening is restricted by the entropy exchange capabilities of the interfaces between society and the environment of this society. For societies with a distribution of resources that Enrapywise is similar to the distribution of resources of a reference society with a division of 73:27 (73% of the resources belong to 27% of the population And vice versa), [22] the point where the Hoover index and the oil are equal, is at a value of about 46% (0.46) for the Hoover and the index Theil. Atkinson Index's Innex Atkinson (also known as Atkinson Measure or Atkinson's Inequality Measure) is a useful measure to determine which of the distribution contributed more to the distribution inequality. The Atkinson Î Î ¢ parameter is often called "aversion parameter to inequality", inequality ", He regulates the sensitivity of implicitited social welfare leisure measure, imposing a weight coefficient to weight yields. Higher weight can be placed on amendments in a given part of the income distribution, choosing Ã³ i¼, the level of "inequality" appropriately. Innex Atkinson becomes more sensitive to changes at the lower end of income distribution as increases in â®¼, On the other hand, as the average level of inequality falls (ie, as AT® approaches), Atkinson becomes less sensitive to changes at the lower end of the distribution. The ATKinson is not for any highly sensitive Ãx³ value to the total income due to the common restriction that â®¼ is not negative. Another common class of machines is to take the rendering of the income of two different groups, usually "superior in smaller". This compares two parts of the income distribution, rather than the distribution as a whole; Equality between these parts corresponds to 1: 1, while the most unequal parts, the greater the proportion. These statues are common to interpret and communicate, because they are relative (this population earns double the population), but since they do not fall into absolute scale, They do not provide an absolute measure of inequality. Percentile Relations This graphic shows the income of a certain percentage as a measure for median_by 10th (red), 20, 50, 80, 90 and 95 (gray) percentile, for 1967 - 2003 in the United States. (50th percentile is 1: 1 by definition.) Particularly common to compare a particular percentile to the median, as in the graphic to the right; Compare Seven-Number Summary, who summarizes a distribution for certain percentiles. While such rings do not represent the general level of inequality in the population as a whole, they provide measures in a form of income distribution. For example, the attached graph shows that in the period of 1967, 2003, the US income racer between Median and 10th and 20th percentile has not changed significantly, while the relationship between the median and the 90, 90 and 95th percentile increased. This reflects that the increase in the US Gini coefficient in this time period is due to gains by higher income winners (in relation to the median), and not due to loss for lower profits (relative to the median). This graph shows the income of the data percentiles from 1947 to 2010 in 2010 dallars. The 2 columns of numbers on the right bank are the cumulative growth of 1970 - 2010 and the annual growth rate throughout this period. The vertical scale is logaregmic, which makes the percentage growth steady appears as a straight line. From 1947 to 1970, all percentiles increased essentially the same rate; Light, straight lines for different percentiles of income distribution growing at different rates. For the median American family, this gap is $ 39,000 per year (just over $ 100 per day): if the economic growth during this period had been widely shared as it was from 1947 to 1970, family income Median would have been $ 39,000 per year. From what was in 2010. This plot was created by combining US Census Bureau data [23] and the US internal revenue service. [24] There are systematic differences between these two sources, but the differences are small in relation to the scale of this plot. [25] Participation of the income involvement of domestic income -tributaneous income received by Top 1%, Top 0.1% and top 0.01% in the US, between 1917 and [26] [27] A Related Class of Providences is "Share of income" "" What percentage of national income a one Accounts for. Taking the proportion of income quotas for the size of the subpopulation corresponds to a subpopulation lace ratio in relation to the mother's income . As the lace distribution is usually positively inclined, the mother is greater than the median, so the investigations are smaller than the innices for median. This is particularly used to measure this income fraction that accumulates for the upper gains - top 10%, 1%, 0.1%, 0.01% (1 on 10, on 100, in 1,000, in 10,000), and also "100" winners or the like; In the main 400 winners are .0002% of the winners (2 at 1,000.0000) - Study the income concentration - condensation of wealth, or enough condensation of participation in the right picture, the US feature of the US feature was approximately constant from mid-1950s to the mid-1980s, then increased from Mid of DÃ © 2000; This greater inequality was reflected in the Gini coefficient. For example, in 2007, the upper decill (10%) of US winners accounted for 49.7% of the total salary (4.97 Ã ¢ {\ Displaystyle 4,97 \ approximately 5} fraction On equality), and the best 0.01% of the US. They represented 6% of the total salary (600 times fraction on equality). [29] addresses the normative approach interpreting inequality through inequality inequality means that there is a relationship between an inequality inequality and a social evaluation order defined in "nominal or real) of members of society. Income are typically attributed to individuals instead of households using an adult equivalence scale. [30] The normative approach was discussed by Charles Blackorby, Walter Bossert and David Donaldson at work "Media Income inequality: the normative approach. "The statistical approach statistically interpreting inequality is based on fiscal data and pareto paramount (1895) as a measure of income inequality . [31] This approach is more discussed at the work "Income inequality measurement: the statistical approach" by Giovanni M. Giorgi. Celle of the spreadsheet The coefficient of Gini, the Hoover and the Elux as well as the fun Related well-being [32] can be calculated on a spreadsheet. [33] Well-being functions serves as alternatives for median income. Group AssociatedGroupGroup Depletion Depulation CumulativePendivation AccumuladImname Gini Hoover Theil 1 A1 E1 Â«'1 = E1 / A1 D1 = E1 / Ã â £A 1 = E1 ã (2.1 ã, ã, Ã € k1)) A1H = ABS (D1) T1Ã ¢ = LN (*1) * D1 2 A2 E2 es*' 2 = E2 / A2 D2 = E2 / £ EA-A2 / £ 1 k2 Ã˜ z = k1 g2 ã = ã, (2.1 ã, E2) ã, ABS (D2) T22 = ã, (Ã˜ '2) * D2 3 A3 E3 to ^3 = E3 / A3 D3 = E3 / Ã £ -A3 / Ã£pl K 3 = E3 ã, (2.1 *, Ã * -E3) ABS (D3) T32 = LN (Ã¸r'3) * D3 4 A4 E4 ~ '42 = E4 / A4 / A4 D4 Ã ¢ = Ã Ã € -A4 / Ã £ E6 K3 G4 Ã ^ = (2 * K4 â € A4H = ABS (D4) T4Ã ¢ = LN (*4) * D4 total £ £ £ £ £ £ £ £ £ and / Ã £ Ã £ Ã € £ £ £ £ £ £ £ £ £ £ £ £ £ £ ¢ = 1 £ £ £ £ £ £ £ £ £ £ £ ¢ = £ £ 2 t £ 2 welfarefunction wgÃ ¢ = Ã ¢ * (1st -gini) WhÃ ¢ = Ã ¢ â € (1) WTÃ ¢ = Ã ¢ â € â € (thes) On the table, fields with a yellow background are used for data entry. from these measures of data inequality, as well as the function Related welfare are calculated and displayed in fields with green background. In the example given here, "Theil Index" represents the arithmerther day of a Theail's investigation calculated for income distribution within a society for which a Theail's investigation within a society for which it is considered. For the oil of theil, the relative deviation D, for the Hoover the relative deviation per group is weighted with the size of the information provided income per individual in this group. To society is usually divided into income groups. Often, there are four or five groups constituted by a similar number of individuals in each group. In other cases, groups are created based on yield intervals which leads to different numbers of individuals in different groups. The table above shows a calculation of inequality inequality for four groups. For each group, the number of individuals (or domiciles) per group A and the total yield in which the group and is specified. The pairs of parameters to and and need to be measured to calculate the Gini coefficient. (For Theil's Innex and Hoover's Innex No Terms is necessary.) A and and have to be ordered so that the values presented in the column "result by individual" are aligned, ascending mode. Adequate use when using income machines, has to become clear how income should be defined. Should you include capital gains, home rents imputed by the acquisition of the household, and present? If these sources of income or alleged income fonts (in case "the income imputed") are taken into account (as they are often), how can this virtue of the analysis? Work how should not be paid (such as child child care or making proper cooking instead of hiring a chef for each meal of one) being treated? Wealth or consumption can be more appropriate measures in some situations. Larger quality of life of life can be useful. The comparison of inequality measures requires that the segment of compared groups (societies, etc.) in quintans should be similar. Correctly distinguish, if the basic measuring unit is families or individuals. The Gini value for families is always less than for individuals because of pooling income and intra-family transfers. And families have a variable number of members. Members will be influenced up or down depending on which one measurement unit is used. Consider the effects of life cycle. In most Western societies, a subject tends to start life with little or no income, gradually increase income to about 50 years, after which income will decrease, becoming negative. This affects the conclusions that can be taken from an inequality measured. It is estimated (by A. S. Blinder in the decomposition of inequality, MIT Press) that 30% of the measured income inequality is due to the inequality of an individual experiences while crossing the various phases of life. Clarify whether real or nominal income distributions should be used. What is the inflation effect on absolute measures? What some groups (for example, pensioners) feel the effect of inflation more than others? When drawing conclusion from inequality measures, consider how was allocated government spending benefits? How is the existence of a social security security network influences the definition of absolute poverty measures? Do government programs support some income groups more than others? Inequality of measure inequality. They do not measure possible causes of income inequality. Some alleged causes include: life cycle effects (age), inherited characteristics (IQ, talent), desire to risk (risk aversion), leisure / diligence choice, inherited wealth, economic circumstances, educaan And the formation, the discrimination and the imperfections of the market. Inequality, inequality are rich. They ignore certain effects of income mobility, in which the identity of "who is rich" and "who is poor" is considered. For example, at a certain time, Alice can have $ 10 and Bob can get $ 2. at some time later, Bob can have $ 10 and Alice can have $ 2. Inequality inexperience will be the same in both cases and rather high. However, the inequality of the mother will be zero, since Alice and MÃ- days participation of Bob are equal ($ 6). Us 8, which has changed from hands is a measure of mobility wealth and the inequality of the mother is generally greater than the inequality of the mother. Keeping these points in mind helps understand the problems caused â € â €