

LESSON 2

Handout 2-2: Lorenz Curves and Gini Coefficients

Name: _____ Date: _____

Directions: In a group of 2-4, discuss and answer the following questions on Lorenz Curves and Gini Coefficients. You will need internet access.

1. Draw a model of a Lorenz Curve representing a nation with a very small degree of income inequality, like Norway.

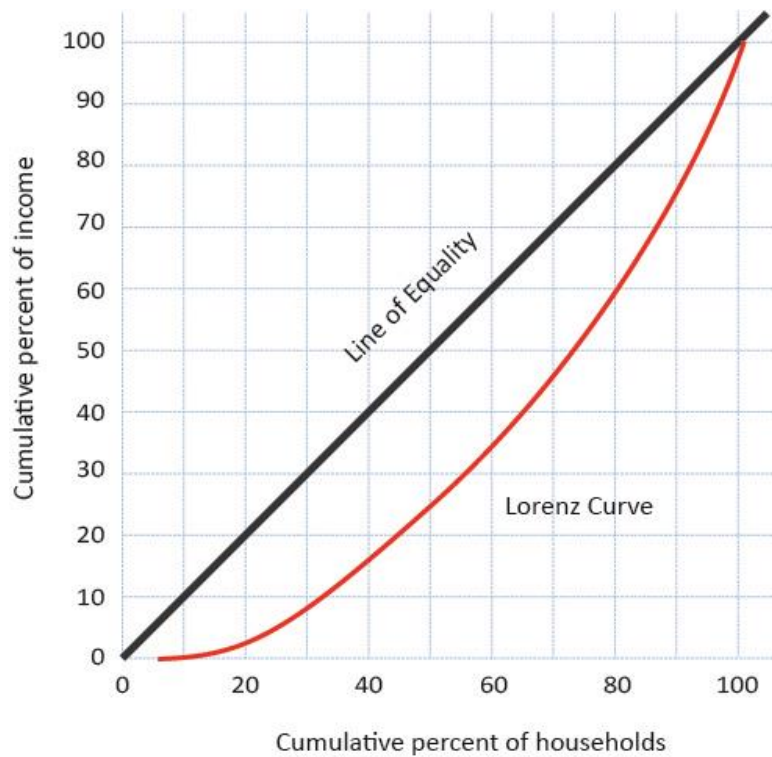
Graph should show a Lorenz Curve very close to the line of income equality.

2. Draw a model of a Lorenz Curve representing a nation with a high degree of income inequality, like South Africa.

Graph should show a Lorenz Curve very far from the line of income equality.

3. Draw a Lorenz Curve for the country of Economica, with these 10 citizens and their corresponding incomes.

Roger	\$2,000
Rafael	\$10,000
Serena	\$1,500
Novak	\$15,000
Martina	\$16,000
Chrissy	\$9,000
Mary Jo	\$30,000
Boris	\$12,000
Bjorn	\$8,000
Ivan	\$20,000



4. If a nation's Gini Coefficient is 0.10, what does that say about income inequality in this nation?

This nation has a very low degree of income inequality.