

# LESSON 4

## Handout 4-1: Our World in Data – Gini Coefficient

Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Directions:** Visit the website Our World in Data (<https://ourworldindata.org/income-inequality>) which uses the Gini Coefficient to make many comparisons between countries and over time. You can click on each graph to enlarge it.

1. When was the Gini Index (coefficient) highest in England and Wales (the modern United Kingdom)? Why did it peak and then later fall?

*1801-03. During industrialization, the Gini Index rose and wealth was concentrated in the hands of a few, but over time the gains of industrialization spread to more of the population. It is much lower today than it was then.*

2. What has happened to the share of income going to the top 1% in continental Europe since 1900?

*It has fallen over time.*

3. What is the difference between relative and absolute poverty? What percentage of children in Canada live in relative poverty?

*Relative poverty is calculated based on median income within a country, rather than a fixed amount of income. 16.48%*

4. What has happened to real disposable household income for households in the 1<sup>st</sup> (lowest) decile in Canada since 1979 (click “change country)?

*It has risen since the mid-1990s.*

5. Do high income or low income countries tend to have greater inequality?

*Generally, low income countries.*

6. In which countries do the top 10% have the greatest share of income?

*Brazil, Mexico and South Africa are a few of the top ones.*

7. What has happened to the income share held by the top 20% in Canada since 1979 (you will need to change country)? Bottom 20%?

*The income share of the top 20% has increased slightly while the bottom 20% has declined slightly.*

8. Are Gini Coefficients rising or falling in Latin America?

*They are very high but falling.*

9. What graph in this website did you find most interesting? Why?

*Answers will vary.*