

Income Distribution Indicators in 2016

□ (Income distribution indicator)

In 2016, the Gini coefficient, the income quintile share ratio, and the relative poverty rate showed an upward trend.

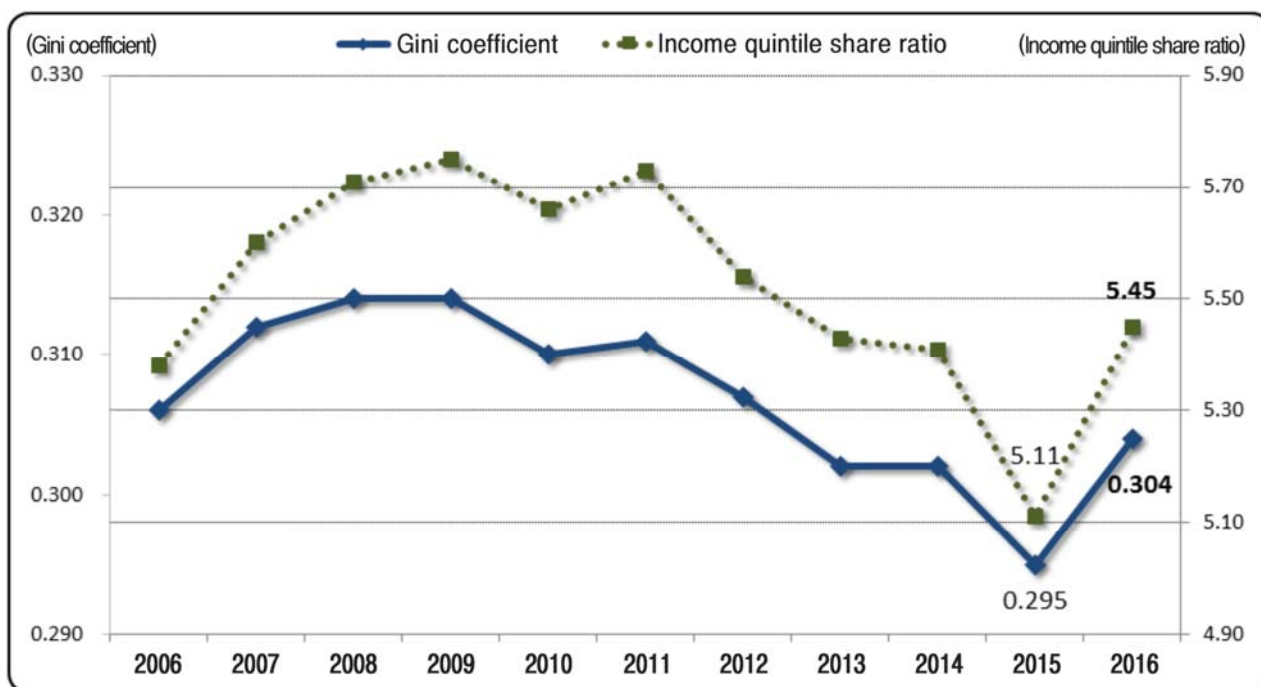
- The Gini coefficient recorded 0.304 in 2016, up 0.009 compared to 0.295 in 2015.
- The income quintile share ratio recorded 5.45 times in 2016, which rose by 0.34 times point compared 5.11 times in 2015.
- The relative poverty rate stood at 14.7 percent in 2016, increasing by 0.9%p from 13.8 percent in 2015.

< Income distribution indicators >

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change
Gini coefficient	0.306	0.312	0.314	0.314	0.310	0.311	0.307	0.302	0.302	0.295	0.304	0.009
Income quintile share ratio	5.38	5.60	5.71	5.75	5.66	5.73	5.54	5.43	5.41	5.11	5.45	0.34
Relative poverty rate (%)	14.3	14.8	15.2	15.3	14.9	15.2	14.6	14.6	14.4	13.8	14.7	0.9

* Calculated with equalivalised disposable income of the results of the Household Income & Expenditure Survey and the Farm Household Economy Survey

< Gini coefficient and income quintile share ratio >



1. Gini coefficient

- Based on the disposable income, the Gini coefficient recorded 0.304 in 2016, up 0.009 compared to 0.295 in 2015.
- The government policy effect marked 0.049 in 2016, up 0.003 from 0.046 in 2015. The government policy effect showed an ever-increasing trend.

< Table > Gini coefficient

Classification		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change
Total	Market income (A)	0.330	0.340	0.344	0.345	0.341	0.342	0.338	0.336	0.341	0.341	0.353	0.012
	Disposable income (B)	0.306	0.312	0.314	0.314	0.310	0.311	0.307	0.302	0.302	0.295	0.304	0.009
	Government policy effect	0.024	0.028	0.030	0.031	0.031	0.031	0.031	0.034	0.039	0.046	0.049	-

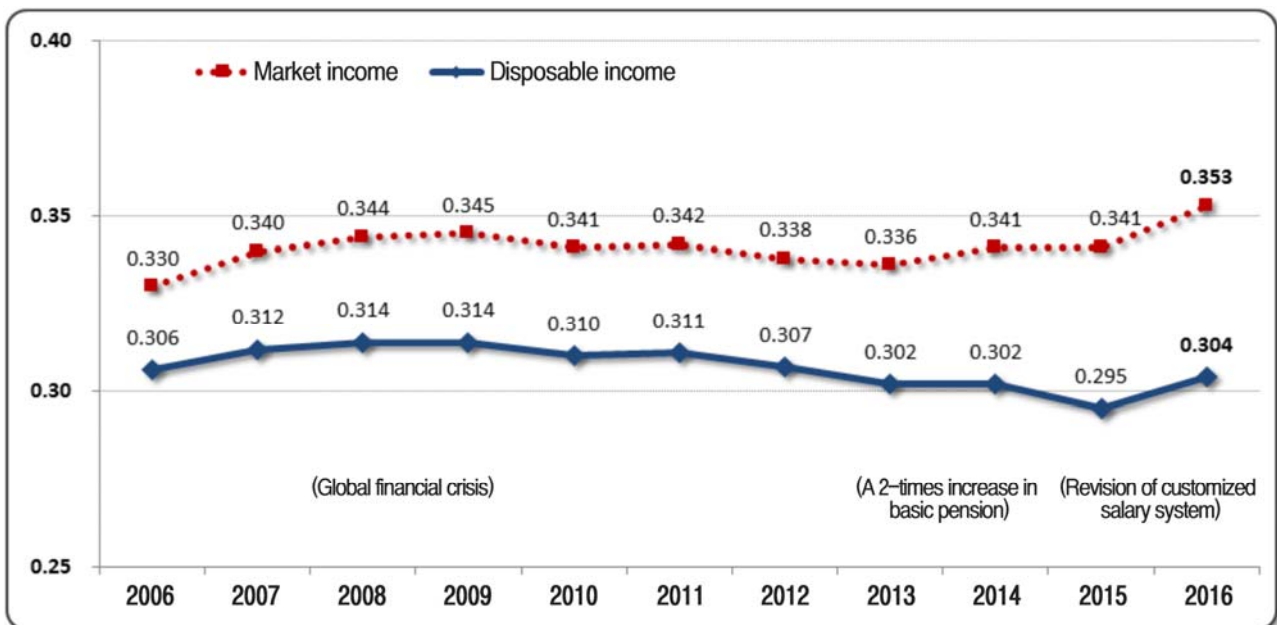
Note 1) The Gini coefficient, a representative indicator of income inequality, ranges from 0 to 1, with 0 representing perfect equality and 1 representing perfect inequality.

2) Market income = Labor income + Self-employment income + Property income + Private transfer income

3) Disposable income = Market income + Public transfer income – Public transfer expenditure

4) Government policy effect = Market income (A) - Disposable income (B)

< Figure > Gini coefficient



2. Income quintile share ratio

- Based on the disposable income, the income quintile share ratio recorded 5.45 times in 2016, which rose by 0.34 times point compared 5.11 times in 2015.
- The government policy effect marked 3.87 times in 2016, up 0.74 times point from 3.13 times in 2015.

< Table > Income quintile share ratio

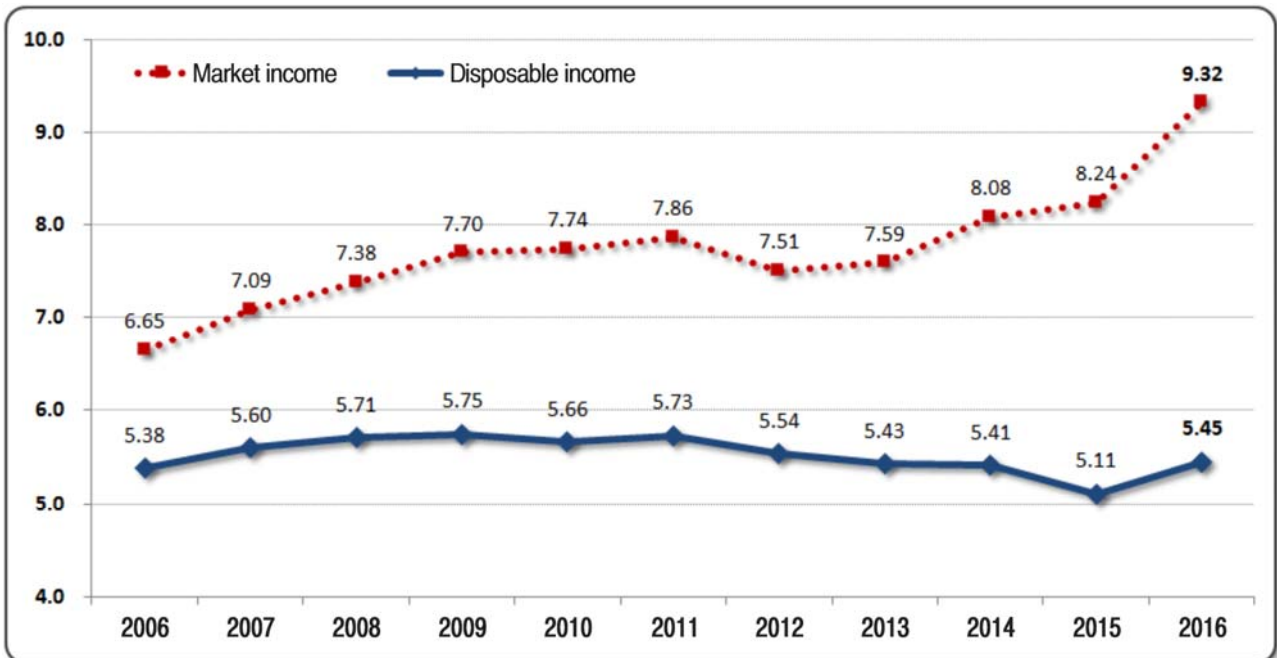
(Unit: times, times point)

Classification		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change
Total	Market income (A)	6.65	7.09	7.38	7.70	7.74	7.86	7.51	7.59	8.08	8.24	9.32	1.08
	Disposable income (B)	5.38	5.60	5.71	5.75	5.66	5.73	5.54	5.43	5.41	5.11	5.45	0.34
	Government policy effect	1.27	1.49	1.67	1.95	2.08	2.13	1.97	2.16	2.67	3.13	3.87	-

Note 1) Income quintile share ratio = Ratio of the average income of the top 20% of the population to the average income of the bottom 20% of the population

2) Government policy effect = Market income (A) - Disposable income (B)

< Figure > Income quintile share ratio



3. Relative poverty rate (Based on 50% of median income)

- Based on 50% of median income, the relative poverty rate stood at 14.7 percent in 2016, increasing by 0.9%p from 13.8 percent in 2015.
- The government policy effect marked 4.8%p in 2016, remaining at the same level as 2015.

< Table > Relative poverty rate

(Unit: %, %p)

Classification		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change
Total	Market income (A)	16.6	17.3	17.5	18.1	18.0	18.3	17.6	17.8	17.9	18.6	19.5	0.9
	Disposable income (B)	14.3	14.8	15.2	15.3	14.9	15.2	14.6	14.6	14.4	13.8	14.7	0.9
	Government policy effect	2.3	2.5	2.3	2.8	3.1	3.1	3.0	3.2	3.5	4.8	4.8	-

Note 1) Relative poverty rate: Percentage of households with incomes below 50% of median income
 * Median income is the amount that divides the income distribution into two equal groups.
 2) Government policy effect = Market income (A) - Disposable income (B)

< Figure > Relative poverty rate

