

Inequality in a Dynamic Perspective
Fifth Winter School on Inequality and Social Welfare Theory
Lecture on “Income distribution analysis using Stata”

Alessio Fusco and Philippe Van Kerm (CEPS/INSTEAD, Luxembourg)

Aim: Income distribution analysis is largely based on a set of conventionally used methods aiming at summarizing and comparing income distributions. A set of programs is available in the statistical software Stata allowing straight and easy computation of standard indices and graphs to carry out descriptive analysis of income distributions using large-scale survey data on household income. The aim of this lecture is to introduce some of these tools, with particular emphasis on inequality, poverty and mobility measures. Basic knowledge in Stata is a useful prerequisite.

Reading list

Income distribution analysis

- Atkinson A.B., Bourguignon F. (eds.) (2000), *Handbook of Income Distribution*, Vol. 1, Amsterdam, North Holland Publishing.
- Cowell, F. A. (2007). *Measuring Inequality* (Third ed.). Hemel Hempstead:Oxford University Press.
- Jenkins S. P. & Van Kerm P. (2009). “The Measurement of Economic Inequality”. in Salverda, Nolan & Smeeding (Eds.), *Oxford Handbook on Economic Inequality*, Oxford University Press.
- Lambert, P. J. (2001). *The Distribution and Redistribution of Income*. Manchester: Manchester University Press, Third edition.
- Or any other good income distribution analysis textbook*

Stata

- Acock A.C. (2008). *A Gentle Introduction to Stata*. Stata Press, 2nd Edition.
- Jenkins, S.P. (2006). Estimation and interpretation of measures of inequality, poverty, and social welfare using Stata. NASUG 2006, Boston. (<http://econpapers.repec.org/paper/bocasug06/16.htm>)
- Jenkins, S. P. (1999). sg104: Analysis of income distributions. Stata Technical Bulletin 48: 4–18. (<http://stata-press.com/journals/stbcontents/stb48.pdf>)
- Jenkins, S. P. and P. Van Kerm (1999). sg107: Generalized Lorenz curves and related graphs. Stata Technical Bulletin 48: 25–29. (<http://stata-press.com/journals/stbcontents/stb48.pdf>)
- Van Kerm (2009), sgini: Generalized Gini and Concentration coefficients (with factor decomposition) in Stata, v1.0, CEPS/INSTEAD, Differdange, Luxembourg. (<http://medim.ceps.lu/stata/sgini.pdf>)
- Van Kerm (2009) Computing poverty measures with survey data, German Stata Users Group meeting 2009, Bonn. (<http://ideas.repec.org/p/boc/dsug09/03.html>)