

INCOME INEQUALITY IN OUR WORLD

WHAT is it?

INCOME INEQUALITY is the uneven distribution of wealth (money and resources) among a population; the gap between the rich and the poor.



WHERE is it happening?

Income Inequality exists within a country (ex. Northern and Southern India) OR between countries (ex. Switzerland and Democratic Republic of Congo)

WHY should we care?

1. **Because it's not fair!** The gap between the rich and the poor is widening (the wealthiest 1% own 50% of the world's resources)
2. **Because we live in a global community** (we should care about sharing the world's resources more evenly and fairly). **WHY?**
3. **Because global sustainability matters** - if we don't address the problem of poverty, population growth will continue. This affects us and future generations.



RELATED TERMS / PHRASES

- Global inequality
- Economic inequality
- Economic disparity (means “a great difference”)



How much richer are the richest 20% than the poorest 20%?

Income gaps

How many times richer are the richest fifth than the poorest fifth

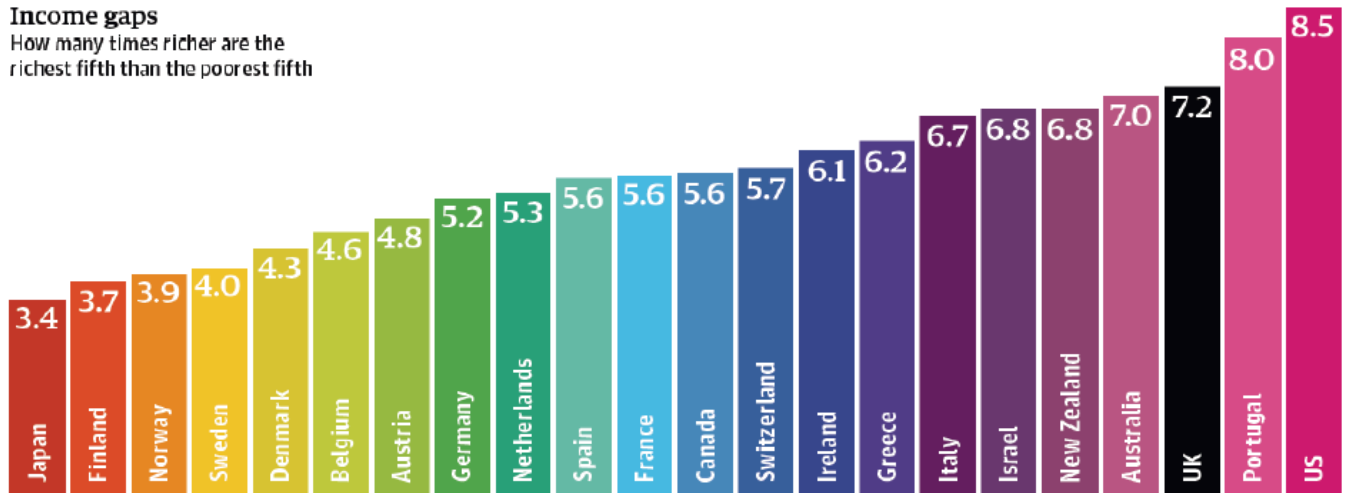
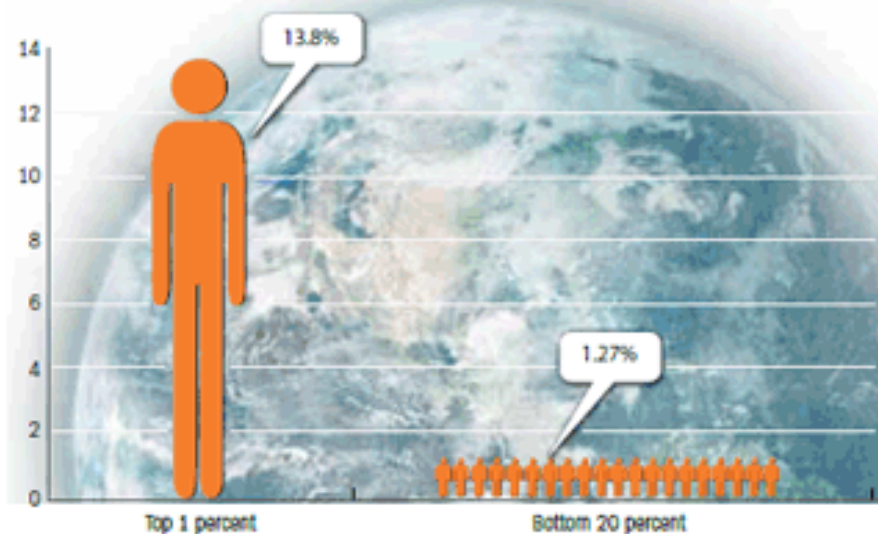


Chart 3

What a difference!

The richest 1 percent of people in the world receive nearly 14 percent of global income while the poorest 20 percent received just over 1 percent.

(percent of global income)



Sources: World Income Distribution database; and author's calculations.

Note: Data are for 2005.

Champagne-Glass Distribution

RICHEST

Each horizontal band
represents an equal fifth
of the world's people

POOREST

World population	World income
■ Richest 20%	82.7%
■ Second 20%	11.7%
■ Third 20%	2.3%
■ Fourth 20%	1.9%
■ Poorest 20%	1.4%

Champagne Glass Distribution from Conley (2008) You May Ask Yourself