



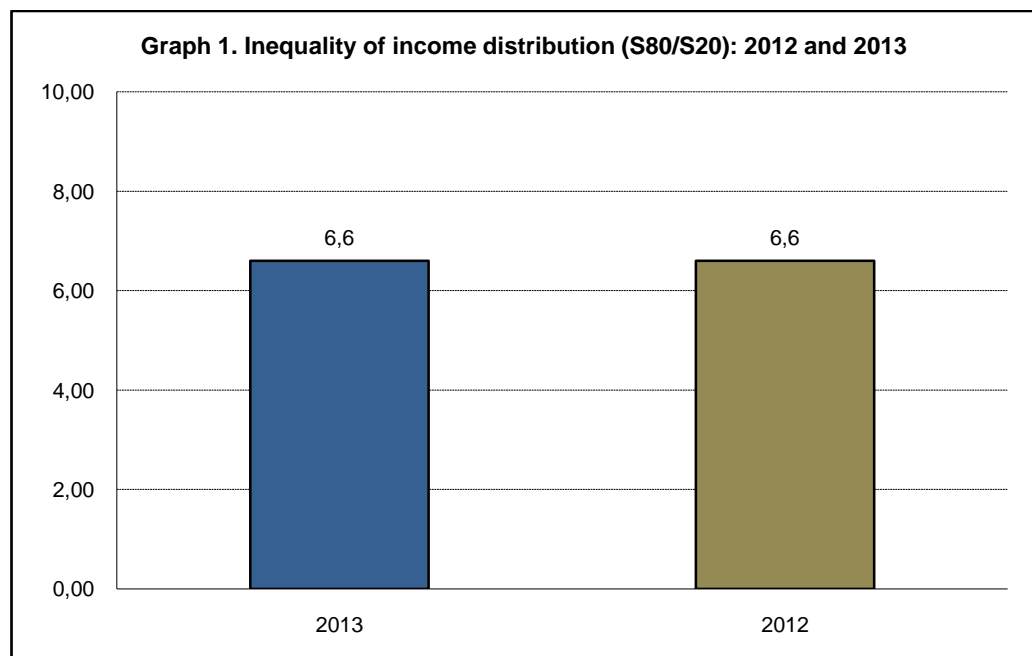
## P R E S S R E L E A S E

### STATISTICS ON INCOME AND LIVING CONDITIONS 2013 (Income reference period 2012)

#### Income inequality

The Hellenic Statistical Authority (ELSTAT) announces data on inequality in income distribution, based on the available results of the 2013 Survey on Income and Living Conditions of Households, (EU-SILC) with reference income period the year 2012. Income inequality is mainly depicted by the indicators S80/S20 (income quintile share ratio) and the Gini coefficient (income inequality distribution). EU-SILC is the main source for comparable statistics on income distribution and social exclusion at European level.

The results of the 2014 survey, with reference income period the previous calendar year 2013, will be released on October 14, 2015.



For further information:  
Population and Labour  
Market Statistics Division  
Household Surveys'  
Section  
Giorgos Ntouros:  
tel: 0030 213 1352174  
fax: 0030 213 1352906  
e-mail:  
[geodouro@statistics.gr](mailto:geodouro@statistics.gr)

### **A. Inequality of income distribution: income quintile share ratio (S80/S20 ratio)**

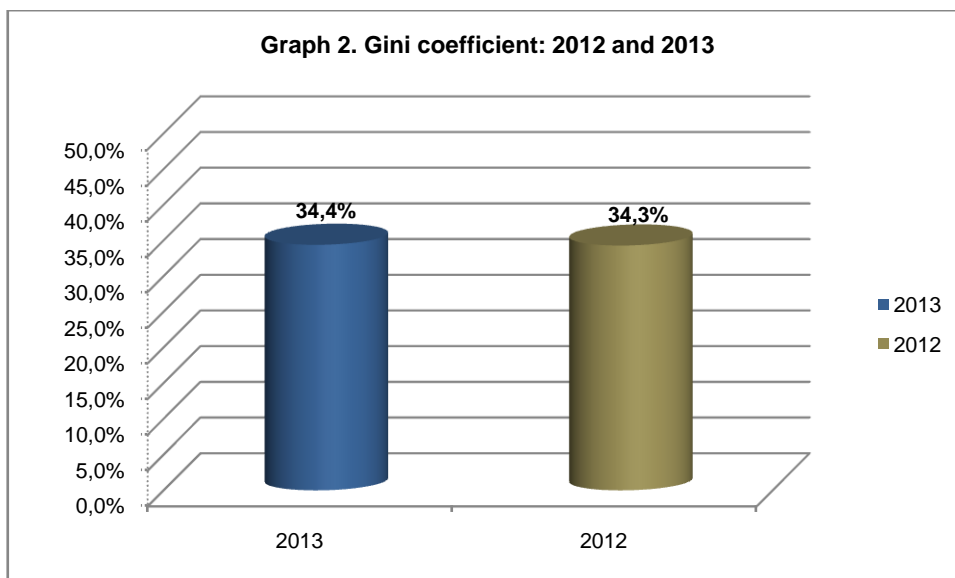
The income quintile share ratio or S80/S20 is the ratio of the total of equivalised disposable income received by the 20% of the country's population with the highest equivalised disposable income (top inter-quintile interval) to that received by the 20% of the country's population with the lowest equivalised disposable income (lowest inter-quintile interval).

- In 2013 the S80/S20 ratio, with reference income period the year 2012, remained stable from 2012 (with reference income period the year 2011) to 6.6, meaning that the share of the income of the wealthiest 20% of the population is 6.6 times higher than the share of the income of the poorest 20% of the population (Graph 1, Table 1).
- Income inequality as measured by the S80/S20 ratio for persons aged 65 years and over is estimated at 3.9 compared with 4.5 in 2012, while for persons under 65 years old it remained approximately the same and it is estimated at 7.3 (from 7.4 in 2012) (Table 1).
- Table 2 shows the distribution of income quartiles. The first quartile of households (25% of households with the lowest income) holds 8.9% of total national income, while in 2012 it held 8.7%. The fourth quartile of households with the highest income holds 47.1% of the total national income, while in 2012 it held 47.0%

### **B. Inequality of income distribution: Gini coefficient**

In order to depict more accurately income inequality, another indicator - the Gini coefficient - is complementarily used because, as already mentioned, the S80/S20 ratio is affected by the extreme values of income distribution.

The Gini coefficient is defined as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income, to the cumulative share of the equivalised total disposable income received by them. If there was perfect income equality (i.e. all persons receive the same income), the Gini coefficient would be 0%. A Gini coefficient of 100% indicates that there is total income inequality and the entire national income is in the hands of one person. For example, a Gini coefficient of 30% means that choosing randomly 2 persons, the difference between their incomes is at 30% of the mean income.



- In 2013 the Gini coefficient reached 34.4%. This means that choosing randomly 2 persons, we expect that their income will differ by 34.4% of the mean income. In 2013 the Gini coefficient decreased by 0.1 percentage points compared with 2012 when the Gini coefficient was 34.3% (Graph 2, Table 3).
- In comparison with 1994, when the survey began, the overall inequality decreased by 3.0 percentage points (37.4% in 1994).
- Inequality of income distribution in Europe, as depicted by the S80/S20 ratio and the Gini coefficient is shown in Table 4. At one extreme, the European country with the highest rates is Bulgaria (S80/20: 6.6% and Gini coefficient: 35.4%). At the other extreme, the European country with the lowest rates is Norway (S80/20: 3.3% and Gini coefficient: 22.7%).

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For further information on the survey please visit ELSTAT's webpage

[Survey on Income and Living Conditions](#)

## TABLES

**Table 1. Inequality of income distribution: S80/S20 ratio by age groups: 2012/ 2013**

Age groups	2013	2012
Total	6,6	6,6
65+	3,9	4,5
0- 64	7,5	7,4

**Table 2. Distribution of income by quartiles: 2012, 2013**

%

Quartiles	2013	2012
Quartile 1 (lowest income)	8,9	8,7
Quartile 2	17,8	17,9
Quartile 3	26,3	26,4
Quartile 4 (highest income)	47,1	47,0

**Table 3. Gini coefficient: 2013**

%

Total	2013	2012
	34,4	34,3

**Table 4. Inequality of income distribution: S80/S20 ratio and Gini coefficient in Europe: 2013**

%

Countries	S80/S20	Gini Coefficient
Bulgaria	6,6	35,4
<b>Greece</b>	<b>6,6</b>	<b>34,4</b>
Latvia	6,3	35,2
Spain	6,3	33,7
Lithuania	6,1	34,6
Italy	5,7	32,5
Estonia	5,5	32,9
Cyprus	4,9	32,4
Poland	4,9	30,7
Denmark	4,3	27,5
Hungary	4,2	28,0
Malta	4,1	27,9
Austria	4,1	27,0
Slovenia	3,6	24,4
Slovakia	3,6	24,2
Finland	3,6	25,4
Czech Republic	3,4	24,6
Iceland	3,4	24,0
Norway	3,3	22,7

## EXPLANATORY NOTES

<b>European Union - Statistics on Income and Living Conditions - EU-SILC</b>	The Survey on Income and Living Conditions (EU-SILC) is part of a European Statistical Programme to which all Member States participate and which replaced in 2003 the European Household Panel Survey with a view to improving the quality of statistical data concerning poverty and social exclusion. The basic aim of the survey is to study, both at national and European level, the household's living conditions mainly in relation to their income. This survey is the basic source for comparable statistics on income distribution and social exclusion at European level. The use of commonly accepted questionnaires, primary target variables and concepts – definitions ensures data comparability.
<b>Legal basis</b>	The survey is in compliance with the Regulation (EC) No 1177/2003 of the European Parliament and of the Council concerning Community Statistics on Income and Living Conditions (EU-SILC) and is being conducted upon the decision of the Ministry of Economy and Finance.
<b>Income reference period used</b>	The income reference period is a fixed twelve-month period, namely the previous calendar year.
<b>Coverage</b>	<p>The survey covers all private households throughout the country irrespective of their size or socio-economic characteristics. The following are excluded from the survey:</p> <ul style="list-style-type: none"><li>• Institutional households of all types (boarding houses, elderly homes, hospitals, prisons, rehabilitation centers, camps, etc.) More generally, households with more than five lodgers are considered institutional households.</li><li>• Households with foreigners serving in diplomatic missions.</li></ul>
<b>Methodology</b>	<p>The survey is a <i>simple rotational design</i> survey, which was selected as the most suitable for single cross-sectional and longitudinal survey. The final sampling unit is the household. The sampling units are the households and their members.</p> <p>The sample for any year consists of 4 replications, which have been in the survey for 1-4 years. With the exception of the first three years of survey, any particular replication remains in the survey for 4 years. Each year, one of the 4 replications from the previous year is dropped and a new one is added. In order to have a complete sample the first year of survey, the four panels began simultaneously. For the EU-SILC longitudinal component. The people who were selected initially are interviewed for a period of four years, equal to the duration of each panel.</p> <p>EU-SILC survey is based on a two-stage stratified sampling of households from a frame of sampling which has been created on the basis of the results of the 2011 population census and covers completely the reference population.</p> <p>There are two levels of area stratification in the sampling design.</p> <p>i) The first level is the geographical stratification based on the division of the total country area into thirteen (13) standard administrative regions corresponding to the European NUTS 2 level. The two major city agglomerations of Greater Athens area and Greater Thessaloniki area constitute two separate major geographical strata.</p> <p>ii) The second level of stratification entails grouping municipalities and communes within each NUTS 2 Regions by degree of urbanization. i.e. according to their population size. The scaling of urbanization was finally designed in four groups:</p> <ul style="list-style-type: none"><li>• <math>\geq 30.000</math> inhabitants</li><li>• 5.000-29.999 inhabitants</li><li>• 1.000-4.999 inhabitants</li><li>• 0-999 inhabitants</li></ul> <p>Sample selection schemes</p> <p>i) In this stage, from any ultimate stratum (crossing of Region with the degree of urbanization). -say stratum <math>h</math>, <math>n_h</math> primary units were drawn; where the number <math>n_h</math> of draws was approximately proportional to the population size <math>X_h</math> of the stratum (number of households according to the 2011 population census).</p> <p>ii) In this stage from each primary sampling unit (selected area) the sample of ultimate units (households) is selected. Actually, in the second stage we draw a sample of dwellings. However, in most cases, there is one to one relation between household and dwelling. If the selected dwelling consists of one or more households, then all of them are interviewed.</p>
<b>Sample size</b>	In 2013, the survey was conducted on a final sample of 7,349 households and on 18,030 members of those households, 15,318 of them are aged 16 years and over. The average is calculated at 2.5 members per household.

**Weightings** For the estimation of the characteristics of the survey the data of each person and household of the sample were multiplied by a reductive factor. The reductive factor results as product of the following three factors (weights):

- a. The reverse probability of choice of an individual, that coincides with the reverse probability of choice of a household.
- b. Reverse of the response rate of households inside the strata.
- c. A corrective factor, which is determined in a way that:

i) The estimation of persons by gender and age groups that will result by geographic region coincides with the corresponding number, which was calculated with projection for the survey reference period and was based on vital statistics (2011 population census, births, deaths, immigration).

ii) the estimation of households by size order (1, 2, 3, 4 or 5+ members) and by tenure status coincides with the reference year that was calculated with projection that was based on the longitudinal tendency of the 2001 and 2011 population censuses.

**Equivalised income** According to the methodology for measuring poverty, the poverty line is calculated with its relative concept (poor in relation to others) and it is defined at 60% of the median total equivalised disposable income of the household, using the modified OECD equivalised scale.

Total equivalised disposable income of the household is considered the total net income (that is, income after deducting taxes and social contributions) received by all household members.

More specifically the income components included in the survey are:

- Income from work
- Income from property
- Social transfers and pensions
- Monetary transfers from other households and
- Imputed income from the use of a company car.

Equivalent available individual income is considered the total available income of household after being divided by the equivalent size of household. The equivalent size of household is calculated according to the modified scale of OECD.

It is pointed out that in the distribution per person it is suggested that each member of the household possesses the same income that corresponds to the equivalised disposable income. This means that each member of the household enjoys the same level of living. Consequently, in the distribution per person, the income that is attributed to each person does not represent wages, but an indicator of level of living.

The total available income of the household is calculated as the sum of income of the household's members (income from salaried services, from self-employment, pensions, benefits of unemployment income from property, familial benefits, regular pecuniary transfers etc) that is to say, the total of net earnings coming from all the sources of income after the abstraction of by any benefits to other households. To this sum the tax should also be added pertaining to also the tax that what potentially was returned and concerned the income declaration of the previous year.

**Equivalence scale** Equivalent size refers to the OECD modified scale which gives a weight of 1.0 to the first adult, 0.5 to other persons aged 14 or over who are living in the household and 0.3 to each child aged under 14. Example: The income of household with two adults and two children under 14 years of age is divided by  $1+0.5+2*0.3= 2.1$ . Accordingly, the income of the household with 2 adults is divided by  $1+0.5=1.5$  and the income of a household with 2 adults and 2 children aged 14 and over is divided by  $1+0.5+(2*0.5)=2.5$ , etc.

**Indicators**

1. Income quintile share ratio (S80/S20) - Inequality of income distribution
2. Gini coefficient (inequality of income distribution)

**Indicators' definition** 1. Income quintile share ratio

The 'S80/S20 income quintile share ratio' is the ratio of the total of equivalised disposable income received by the 20% of the country's population with the highest equivalised disposable income (top inter-quintile interval) to that received by the 20% of the country's population with the lowest equivalised disposable income (lowest inter-quintile interval).

2. Gini coefficient (inequality of income distribution)

The Gini coefficient is defined as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income. to the cumulative share of the equivalised total disposable income received by them. If there was perfect income equality (i.e. all persons receive the same income) the Gini coefficient would be 0%. A Gini coefficient of 100% indicates that there is total income inequality and the entire national income is in the hands of one person. For example, a Gini coefficient of 30% means that choosing randomly 2 persons, the difference between their income is at 30% of the mean income.

**References** More information on the survey is available on the webpage of ELSTAT: [www.statistics.gr](http://www.statistics.gr) , Section: Statistical Themes> Income – Expenditure> Income and Living Conditions».