

Figure 22-1: Isowelfare curves

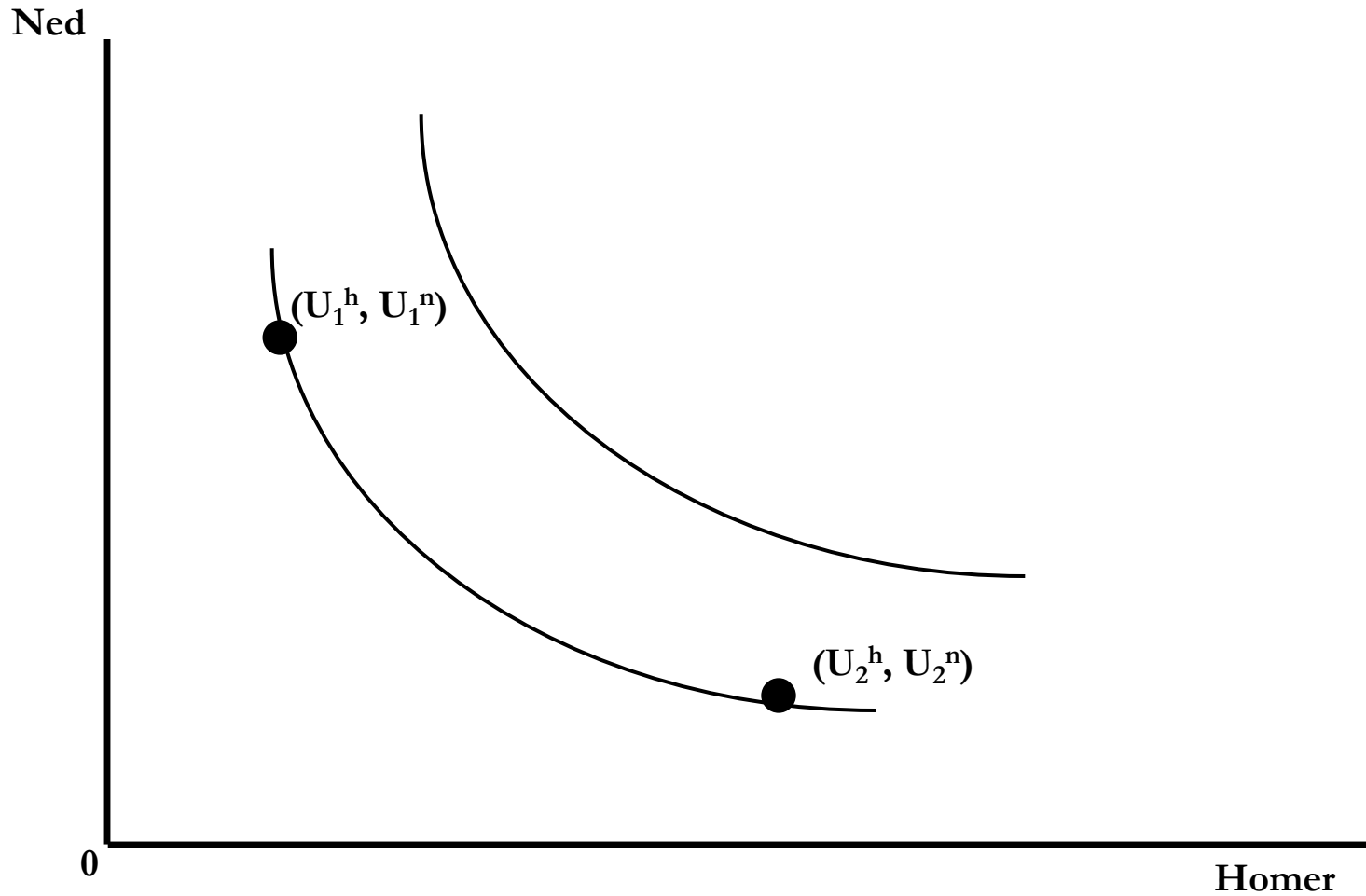


Figure 22-2: Income received by quintile

- Relative income inequality has increased in the United States.
- **Relative income inequality:** The amount of income that the poor have relative to the rich.

Income Quintile	1967	1980	1990	2000	2010	2019
Lowest	4.0	4.2	3.8	3.6	3.3	3.1
Second	10.8	10.2	9.6	8.9	8.5	8.3
Third	17.3	16.8	15.9	14.8	14.6	14.1
Fourth	24.2	24.7	24.0	23.0	23.4	22.7
Highest	43.6	44.1	46.6	49.8	50.3	51.9

Figure 22-3: Share of top 1% income

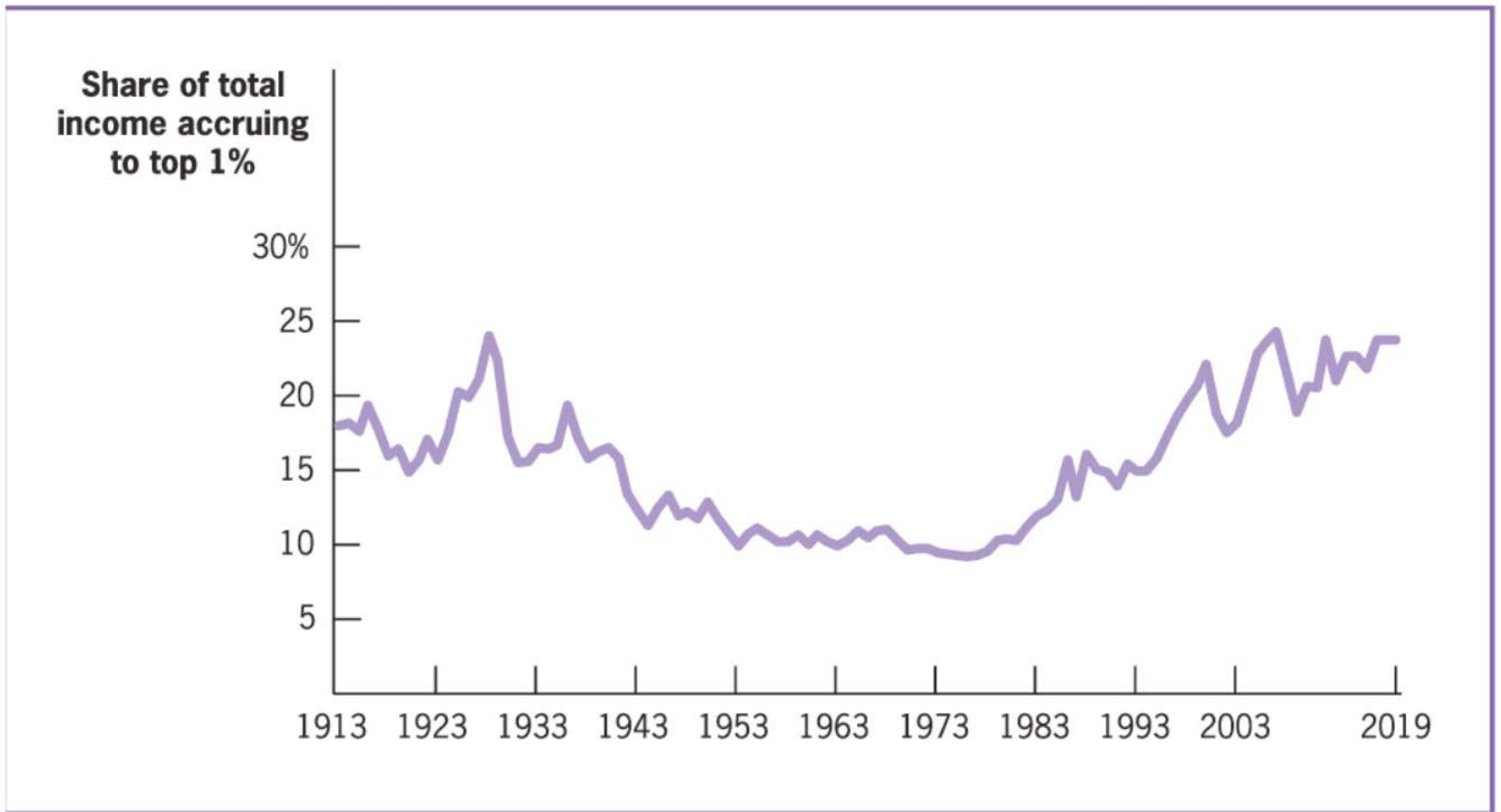


Figure 22-4: Income distribution: OECD Countries P–Z, 2018

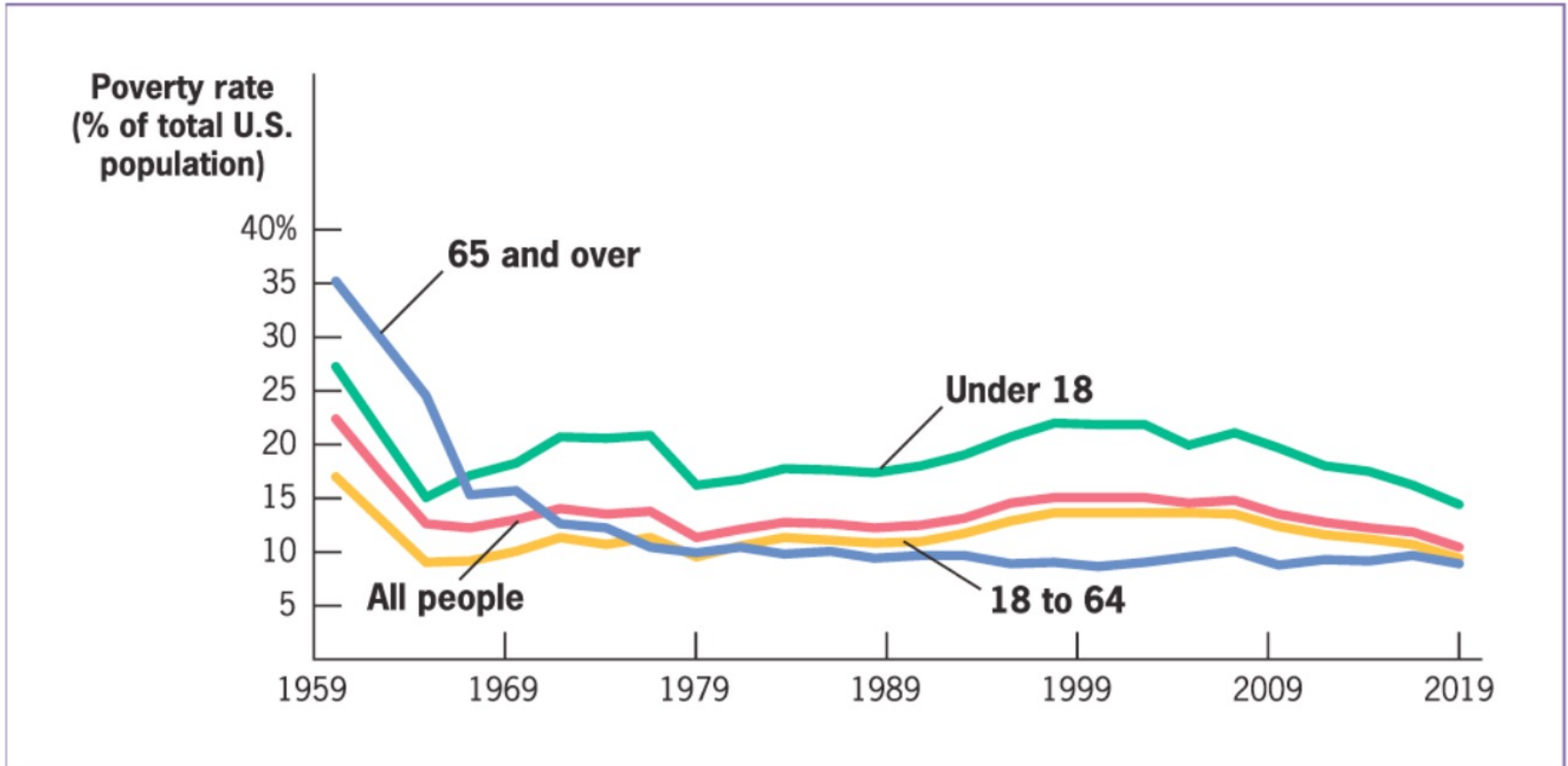
Income Share in Total Income						
Country (2018)	Bottom 10%	Bottom 20%	Bottom 40%	Top 40%	Top 20%	Top 10%
Poland	3.2	8.5	22.3	59.6	36.6	22.2
Portugal	3.0	7.8	20.7	62.2	39.8	25.1
Slovak Republic	3.5	9.4	24.5	56.5	32.8	18.5
Sweden	3.5	8.7	22.6	59.4	36.6	22.7
Turkey	2.4	6.2	17.1	67.7	46.3	31.3
United Kingdom	2.4	6.7	18.5	65.4	43.6	29.0
United States	1.6	5.3	16.2	67.6	44.5	28.5
OECD	2.9	7.7	20.6	62.3	39.6	24.8

The share of income received by the top 10% in the United States was 15% higher than the OECD average.

Figure 22-5: Poverty line (2020)

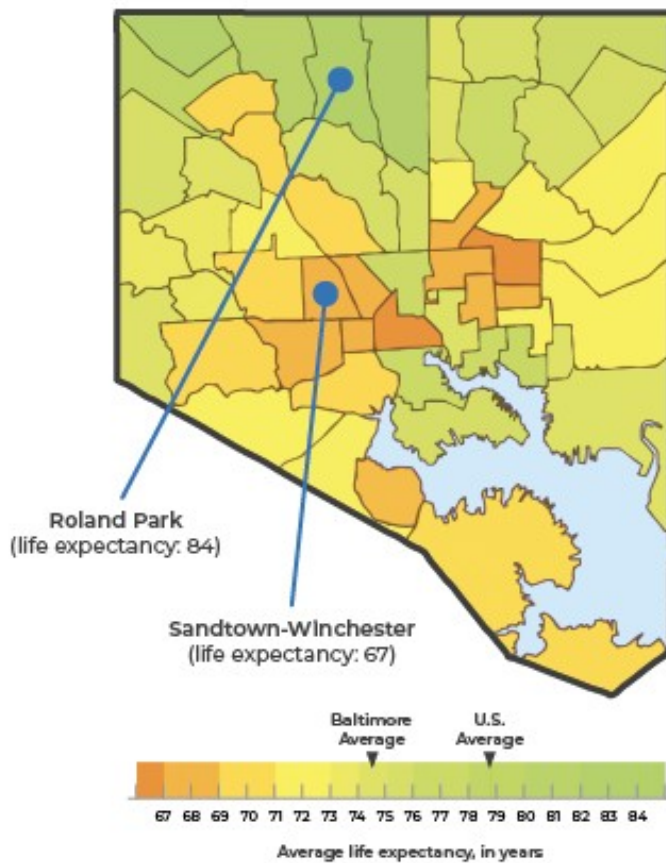
Size of Family Unit	Poverty Line
1	\$12,760
2	17,240
3	21,720
4	26,200
5	30,680
6	35,160
7	39,640
8	44,120
For each additional person, add	4,480
Data from: U.S. Department of Health and Human Services (2020).	

Figure 22-6: Poverty rates over time



Poverty rates declined rapidly in 1960s and early 1970s and then oscillated for all age groups. Poverty rates began to decline again after 2010.

Life Expectancies in Baltimore, 2015



Life expectancy varies hugely by neighborhood in the city of Baltimore. Areas in green represent above average life expectancy, while areas in orange and yellow represent below average. Roland Park's average life expectancy is closest to that of Japan, while Sandtown-Winchester is below that of both North Korea and Bhutan.

Data from: Justice Policy Institute and Prison Policy Initiative (2015) and Marton and Harris (2015).

Figure 22-8: Budget constraint w/ tax and transfer

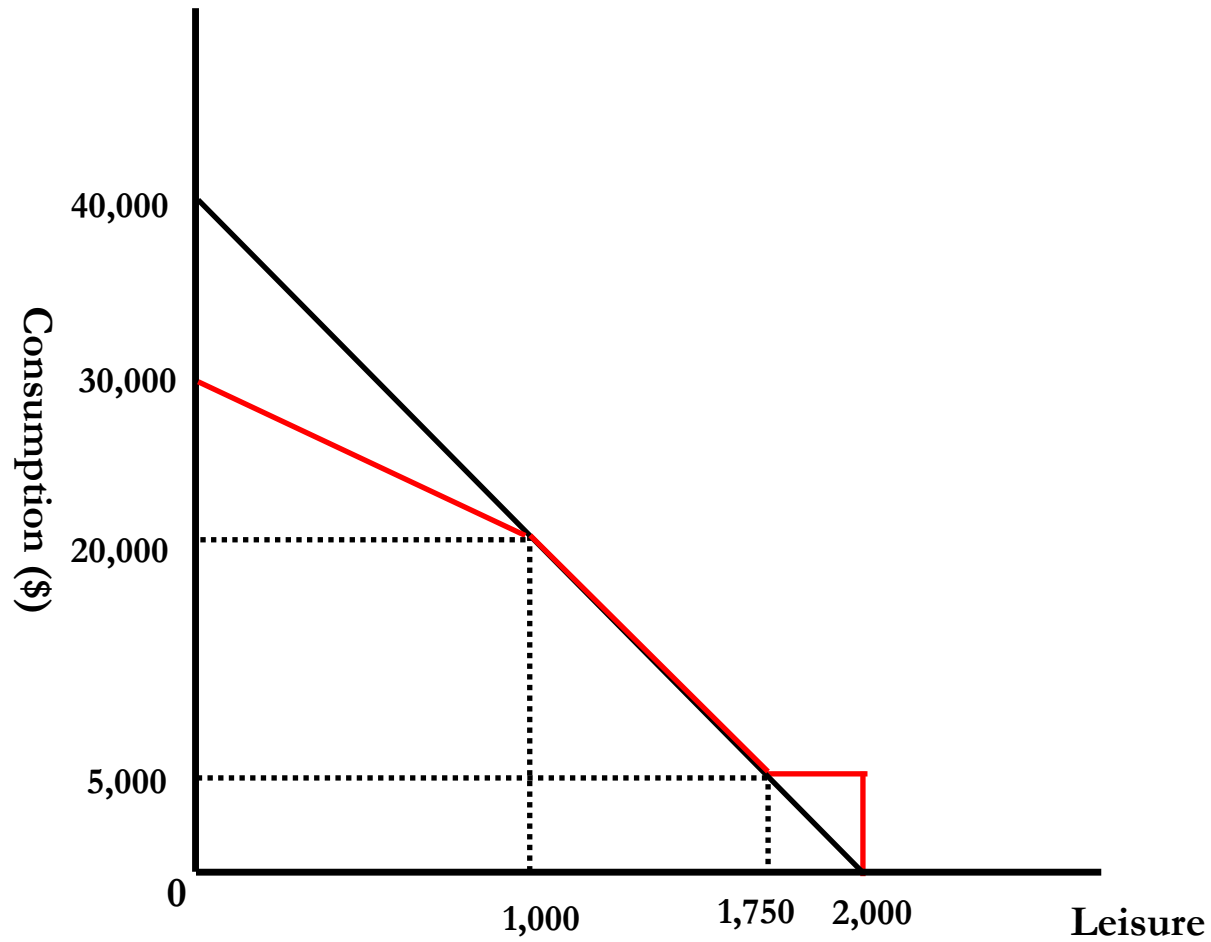
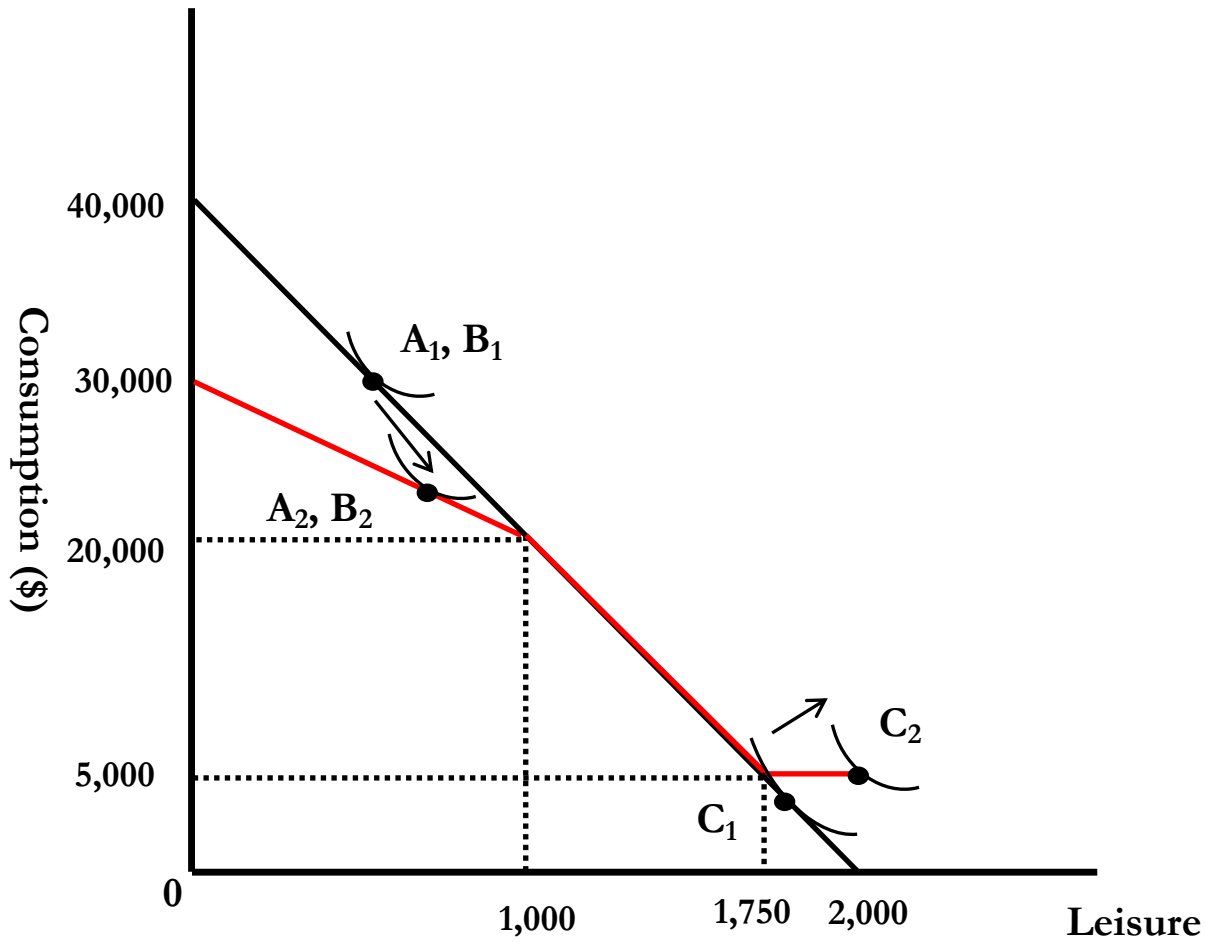


Figure 22-9: Impact of tax and transfer



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