**LIS Inequality and Poverty Key Figures**

This data file includes the Inequality and Poverty Key Figures (as of March 2022), constructed for all LIS datasets in all waves. It includes multiple national-level measures:

* on inequality measures: Gini, Atkinson coefficients, and percentile ratios
* on relative poverty rates for various demographic groups
* median and mean of disposable household income

**Methodological Notes**

*(1) Population Coverage*

All surveyed households and their members are included in our estimates of Gini and Atkinson coefficients, percentile ratios, and poverty lines. Poverty lines are calculated based on the total population. Those lines are then used to calculate poverty rates among subgroups (children and the elderly). Thus, when calculating poverty rates, the subgroups vary, but the poverty lines remain constant within any given dataset.

*(2) Income Concept*

All Key Figures use the LIS data on disposable household income.

Disposable Household Income

Disposable Household Income (DHI) is defined as the sum of monetary and non-monetary income from labour, monetary income from capital, monetary social security transfers (including work-related insurance transfers, universal transfers, and assistance transfers), and non-monetary social assistance transfers, as well as monetary and non-monetary private transfers, less the amount of income taxes and social contributions paid.

DHI is the variable used for the LIS Inequality and Poverty Key Figures.

*(3) Bottom- and Top-Coding*

Although LIS does not apply bottom- or top-coding to the microdatasets themselves, we bottom-and top-code income when creating the Key Figures. Before equivalisation, top and bottom coding is applied by setting boundaries for extreme values of log transformed Disposable Household Income: at the top Q3 plus 3 times the interquartile range (Q3-Q1), and at the bottom Q1 minus 3 times the interquartile range.

*(4) Equivalence Scale*

Throughout the Key Figures, we use equivalised income. For the Inequality and Poverty Key Figures, equivalised income is equal to unadjusted household income (DHI) divided by the square root of the number of household members (NHHMEM)

(Equivalised Income = DHI/√NHHMEM). All members of a given household have the same equivalent income, regardless of age, gender, or relationship to the household head.

*(5) Weighting*

We use person-level adjusted weights when generating income indicators for the total population (HWGT\*NHHMEM) . When computing the poverty rate among children, we construct a child weight by multiplying the household weight by the number of household members under the age of eighteen (HWGT\*NHHMEM17). When computing the rate of poverty among the elderly, an elderly weight is constructed using the number of household members aged 65 and older ((HWGT\*NHHMEM65).

*(6) Missing Values and Zero Incomes*

All households where disposable income (DHI) is missing are excluded.

*(7) Treatment of Currency*

Note that, in the Key Figures, median and mean equivalised income are expressed in the units of national currency that were in use at the time of data collection.

**LIS’ rules for citation**

Users of the LIS Key Figures are required to cite the data source in their list of references. As suggested by the Chicago Manual of Style (15th edition, 2007) pp 753-754 (17.358), LIS requests that authors use the following format:

LIS Inequality and Poverty Key Figures, http://www.lisdatacenter.org ({include date — when Key Figures were used}). Luxembourg: LIS.