

Name of the indicator	<b>10.4 Income quintile inequality ratio</b>
Sustainable Development Goal	Goal 10. Reduce inequalities
Target	-
Definition	Ratio of total income received by the 20% of the population with the highest income (top quintile) to that received by the 20% of the population with the lowest income (lowest quintile). In the EU-SILC survey, the income quintile inequality ratio is calculated for equivalised annual disposable income of households.
Unit	-
Available dimensions	total
Methodological explanations	<p><b>Income quintile inequality ratio</b> is calculated for equivalised annual disposable income of households and its members. It is the ratio of the equivalised disposable income after social transfers of people belonging in the fifth (top) income quintile to the equivalised disposable income after social transfers of those belonging in the first (lowest) income quintile. This indicator is calculated for</p> <p><b>Disposable income</b> is defined as a sum of the net (after deduction of income tax prepayment, tax on income from property, social and health insurance contributions) annual monetary incomes (in case of hired employment taking into account also non-monetary profit from the use of the company car) gained by all the household members reduced by: property tax, inter-household cash transfers paid and balance of offsetting settlements with the Tax Office.</p> <p>The <b>equivalence scales</b> are the parameters which allow to compare the conditions of households of different sizes and different demographic structures. They show an impact of the demographic structure on the household's costs of living. For the calculation of income statistics the modified OECD equivalence scale was applied which is calculated as follows: 1 – for the first adult household member, 0.5 – for the second and each subsequent household member aged 14 and over, 0.3 – for every child in the household under 14.</p> <p><b>Household</b> is a group of persons related to each other by kinship or not, living together and sharing their income and expenditure (multi-person household) or a single person, not sharing his/her income or expenditure with any other person, whether living alone or with other persons (one-person household).</p>
Source of data	Statistics Poland
Data availability	Annual data; since 2010
Notes	-