## Application: Lorenz Curves and Gini Coefficients

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## Lorenz Curves & Gini Coefficient

- 1. Order the income data in ascending order.
- 2. Compute the cumulative income shares.
- 3. Plot the Lorenz curve.
- 4. Add the line of 'Perfect Equality' to the plot.
- 5. Compute the Gini coefficient.