

Table 1: Selected Gini Coefficients in 2006, 2011 and 2016 and the Five-year Changes

Gini Coefficient	Objective	2006	2011	2016	Change	
					2006-2011	2011-2016
Original Monthly Household Income	To measure the disparity of cash income (including government regular cash social benefits)	0.533	0.537	0.539	+0.004	+0.002
Monthly Household Income of Economically Active Households⁽¹⁾	To discount the effect of increase in economically inactive households ⁽²⁾ under population ageing	0.490	0.489	0.482	-0.001	-0.007
Per Capita Monthly Household Income	To discount the effect of change in household size	0.502	0.507	0.499	+0.005	-0.008
Post-tax Household Income	To reflect the effect of taxation	0.521	0.521	0.524	--	+0.003
Post-tax Post-social Transfer Household Income	To reflect the combined effects of government policies on taxation and in-kind social benefits (including education, housing and medical)	0.475	0.475	0.473	--	-0.002
Per Capita Post-tax Post-social Transfer Household Income	To reflect the combined effects of government policies on taxation and in-kind social benefits (including education, housing and medical) while netting out the effect of change in household size	0.427	0.431	0.420	+0.004	-0.011

Notes:

- (1) Economically active households refer to domestic households with at least one member (excluding foreign domestic helpers (FDHs) being economically active).
- (2) Economically inactive households refer to domestic households with all members (excluding FDHs) being economically inactive (e.g. homemakers, retired persons and those below the age of 15).

Table 2: Gini Coefficient (GC) Compiled Using Post-tax Post-social Transfer Household Income, and Magnitude of Reduction When Compared to the GC Based on Original Household Income

	<u>All Domestic Households</u>			<u>Economically Active Households⁽¹⁾</u>		
	2006	2011	2016	2006	2011	2016
Original Household Income (a)	0.533	0.537	0.539	0.490	0.489	0.482
Post-tax Household Income (b)	0.521	0.521	0.524	0.477	0.470	0.464
<i>Magnitude of reduction when compared to GC based on Original Household Income⁽²⁾ (b) – (a)</i>	-0.012	-0.016	-0.015	-0.013	-0.019	-0.018
Post-tax Post-social Transfer Household Income (c)	0.475	0.475	0.473	0.436	0.430	0.422
<i>Magnitude of reduction when compared to GC based on Original Household Income⁽²⁾ (c) – (a)</i>	-0.058	-0.062	-0.066	-0.054	-0.059	-0.060
Post-tax Post-social Transfer Per Capita Household Income (d)	0.427	0.431	0.420	0.412	0.413	0.401
<i>Magnitude of reduction when compared to GC based on Original Household Income⁽³⁾ (d) – (a)</i>	-0.106	-0.106	-0.119	-0.078	-0.076	-0.081

Notes:

- (1) Economically active households refer to domestic households with at least one member (excluding foreign domestic helpers) being economically active.
- (2) Comparing the Gini Coefficient based on post-tax household income with that based on original household income provides a measure of the magnitude and effectiveness of the Government's taxation in mitigating income disparity in Hong Kong. On the other hand, comparing the Gini Coefficient based on post-tax post-social transfer household income with that based on original household income provides a measure of the magnitude and effectiveness of the Government's taxation and in-kind social benefits (including education, housing and medical).
- (3) Comparing the Gini Coefficient based on post-tax post-social transfer per capita household income with that based on original household income provides a measure of the magnitude and effectiveness of the Government's taxation and in-kind social benefits (including education, housing and medical) while netting the effect of change in household size to income disparity.

N.A.: Not available.

Table 3 : Gini Coefficient of Hong Kong and Selected Metropolitan Cities⁽¹⁾

	Year	Based on Original Household Income	Based on Post-tax Post-social Transfer Household Income
Based on Household Income			
Hong Kong	2006	0.533	0.475
	2011	0.537	0.475
	2016	0.539	0.473

Chicago ⁽²⁾	2006	0.510	
	2011	0.519	N.A.
	2015	0.531	
Los Angeles ⁽²⁾	2006	0.514	
	2011	0.529	N.A.
	2015	0.531	
New York City ⁽²⁾	2006	0.532	
	2011	0.543	N.A.
	2015	0.551	
San Francisco ⁽²⁾	2006	0.497	
	2011	0.515	N.A.
	2015	0.521	
Washington, DC ⁽²⁾	2006	0.537	
	2011	0.534	N.A.
	2015	0.535	
Singapore	2006		
	2011	N.A.	N.A.
	2016		
Based on Per Capita Household Income of Economically Active Households			
Hong Kong	2006	0.484	0.412
	2011	0.485	0.413
	2016	0.474	0.401
Singapore ⁽³⁾	2006	0.470	0.418
	2011	0.473	0.423
	2016	0.458	0.402

Notes:

- (1) Hong Kong is a metropolitan city. It is more appropriate to compare the income disparity situation in Hong Kong with metropolitan cities rather than individual countries.
In view of the fact that Gini Coefficients at city level are seldom released by official statistical authorities, the above table presents as far as possible Gini Coefficients of other metropolitan cities as released in the respective websites of official statistical authorities that are with similar definitions of those of Hong Kong.
It should be noted that owing to differences in compilation methods and coverage in households and income, the comparison of Gini Coefficients of different cities should be interpreted with care.
- (2) The Gini Coefficients based on original household income in the United States were 0.470, 0.477 and 0.479 in 2006, 2011 and 2015 respectively. The income disparities in major cities of the United States in the above table were all higher than that at national level.
- (3) The Gini Coefficient of Singapore was compiled using “household income from work per household member”. “Household income from work” refers to the sum of income obtained from employment and business operation by all working members in the household, not including the income of maids.

N.A.: Not available.

Sources:

Hong Kong: Census and Statistics Department

www.byccensus2016.gov.hk/en/bc-articles.html

United States: United States Census Bureau

www.factfinder.census.gov

Singapore: Singapore Department of Statistics

www.singstat.gov.sg/docs/default-source/default-document-library/publications/publications_and_papers/household_income_and_expenditure/pp-s23.pdf