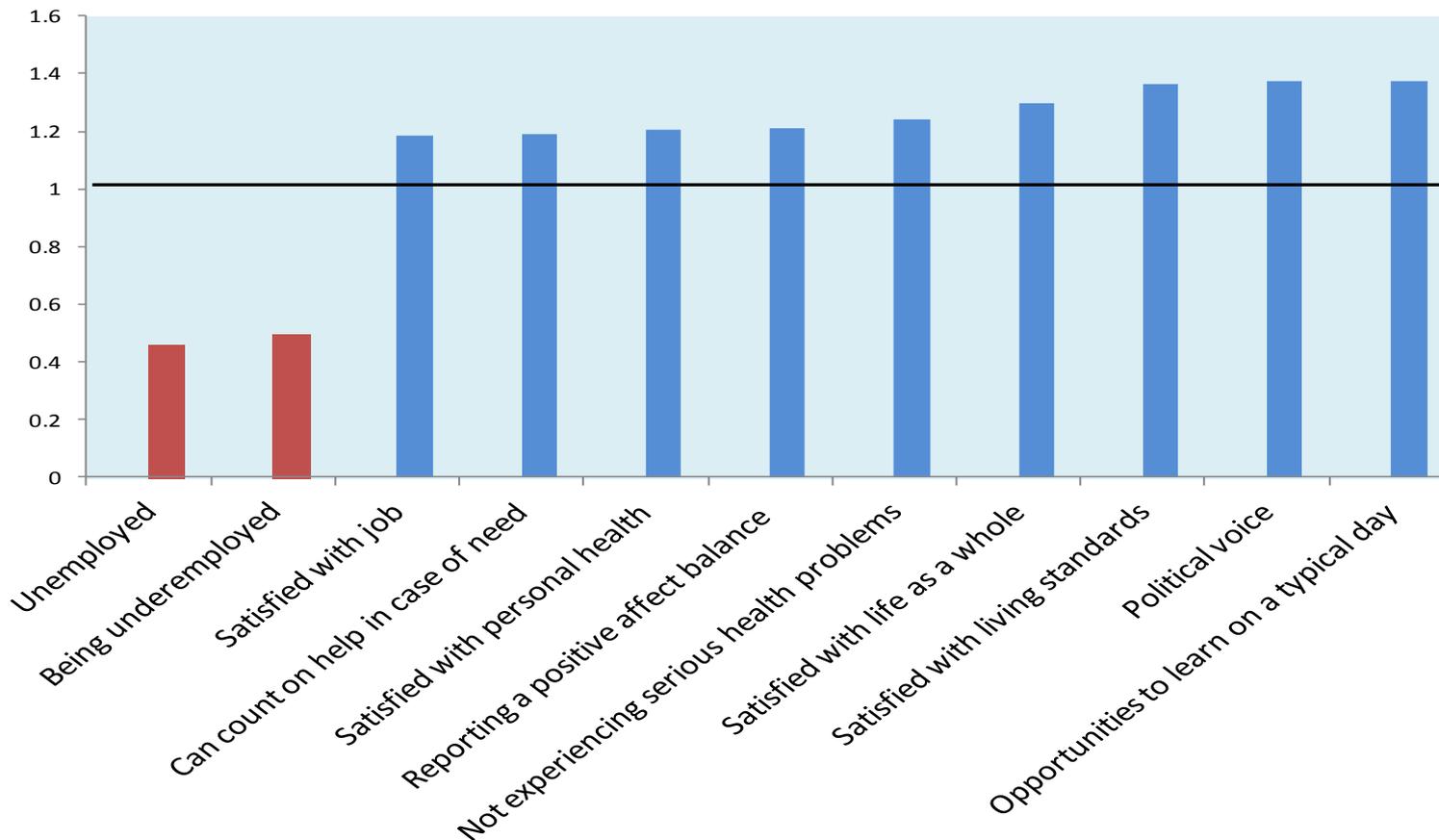


Income is an important driver of individual well-being

Incidence of various well-being outcomes (Q5/Q1 ratios)

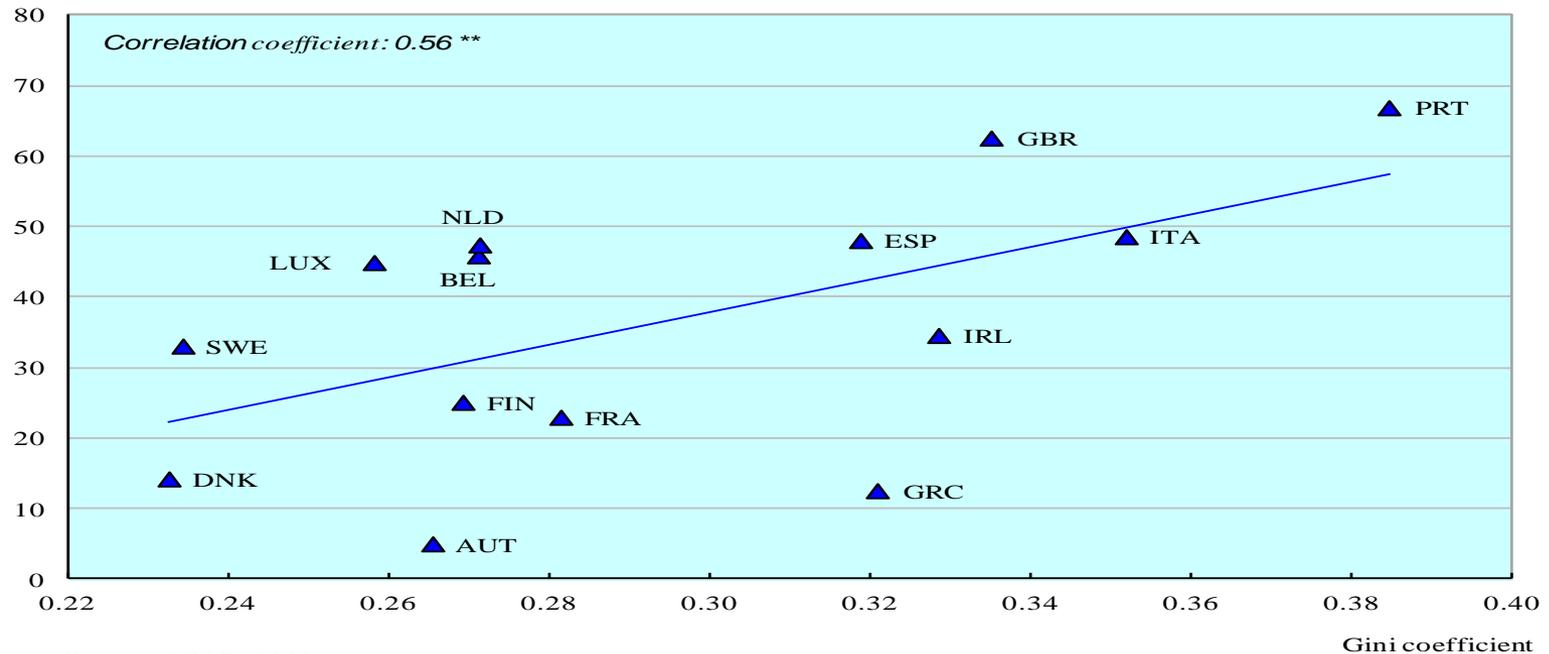


Source: Gallup World Poll, 2010, OECD and selected emerging countries

Inequalities shape opportunities for the whole life

Social mobility is lower in more unequal societies

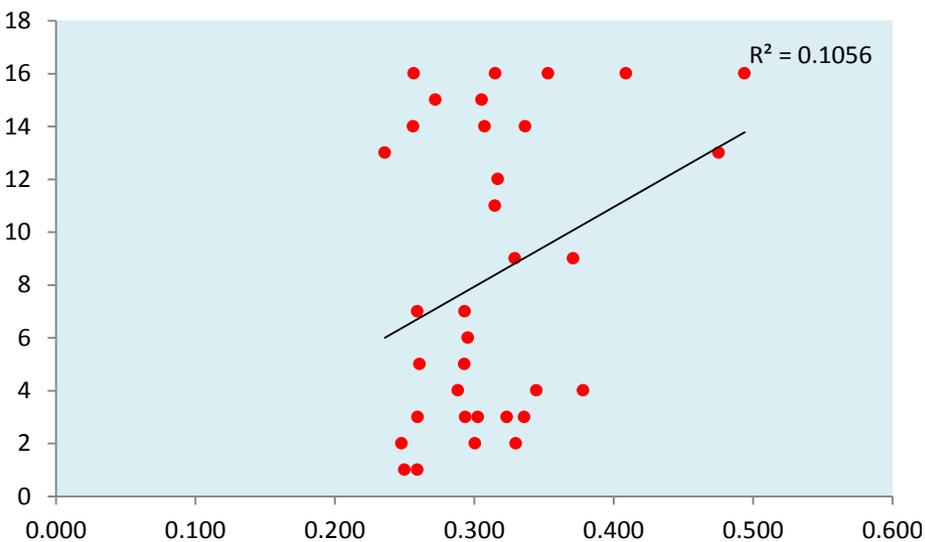
Wage persistence, corrected for distributional differences
(percentage points change in wages)



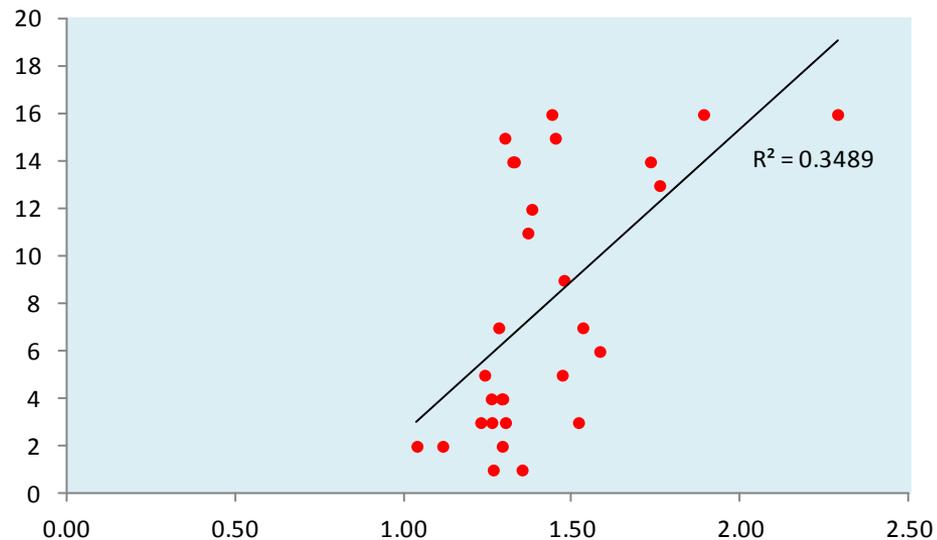
Inequalities drag society's well-being

Income and health inequalities go hand in hand with low levels of well-being

Number of red lights (22 indicators of well-being)



Gini coefficient on household disposable income



Income gradient in self-reported health status

Measuring income inequalities

Main challenges:

- Improvements in existing instruments: increase coverage and timeliness
- Income is not the only aspect of economic well-being: looking at the joint distribution of income, wealth and consumption
- Introducing disparities into national accounts

Improving existing instruments

- Increase recurrence and timeliness: OECD efforts to move to a rolling update of income distribution data.
- Extend coverage of measures, new measures and harmonise definitions