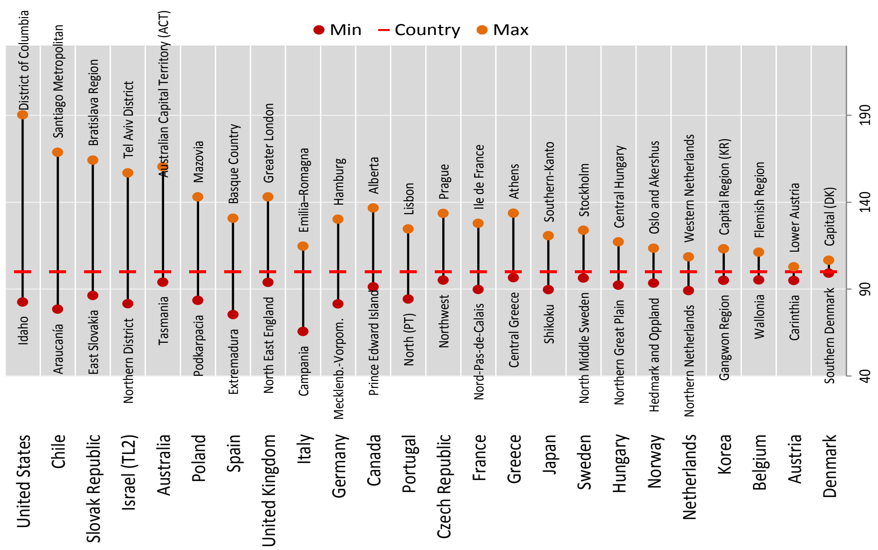
Regional Disparities in Income

OECD Regions at a Glance 2013– The interactive edition December 2013

Higher levels of regional income inequality reflect higher levels of inter-personal inequality. In the United States, Chile, the Slovak Republic, Israel, Australia, Poland, Spain and the United Kingdom, people in the top income region were more than 30% richer than the median citizen, in 2010.

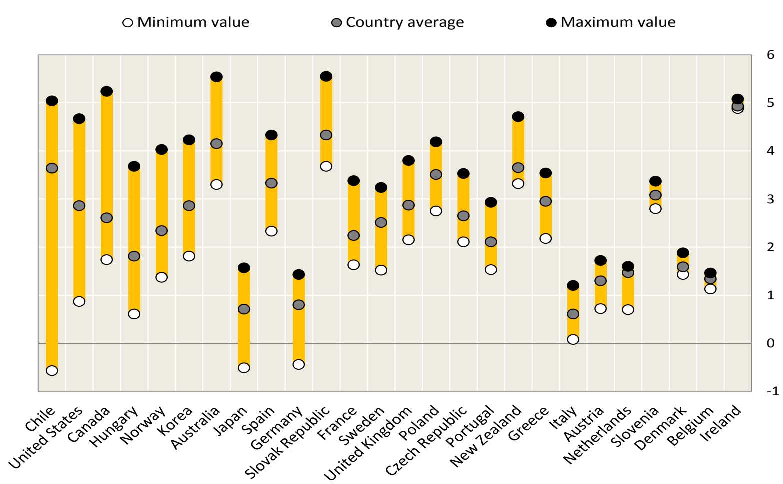
TL2 regional range in household income, as a % of income in the country's median region, 2010



Source: OECD Regions at a Glance 2013

Between 1995 and 2010, household income growth occurred with large regional variation both in countries displaying high income growth rates, such as Chile and the United States, and in countries with limited income growth, such as Hungary and Germany.

Annual TL2 regional household income growth, ranked by size of difference, 1995-2010



Source: OECD Regions at a Glance 2013

Links:

[OECD Regions at a Glance 2013](#)
[OECD Regional Statistics and Indicators](#)
[Regions at a Glance interactive](#)

Definitions

The **primary income (or market income)** of private households is defined as the income generated directly from market transactions, i.e. the purchase and sale of factors of production and goods. These include in particular the compensation of employees. Private households can also receive income on assets (interest, dividends and rents) and from operating surplus and self-employment. Interest and rents payable are recorded as negative items for households.

The **disposable income** of private households is derived from the balance of primary income by adding all current transfers from the government, except social transfers in kind and subtracting current transfers from the households such as income taxes, regular taxes on wealth, regular inter-household cash transfers and social contributions.

To make comparisons over time and across countries, regional disposable income is expressed at constant prices (year 2000), computing the deflator from the OECD national final consumption expenditure of households in current and constant prices; then it is converted into USD purchasing power parities (PPPs) for private consumption to express each country's income in a common currency.