

Gini coefficient

is a number between zero and one that measures the extent of income inequality in an economy; it is calculated by measuring the degree to which the Lorenz curve deviates from the line of equality

income inequality

refers to the degree to which income is unevenly distributed in an economy

Lorenz curve

is a graphical representation of income distribution plotting the cumulative increase in population against the cumulative increase in income

mean income

the average level of income; it is calculated by dividing the total income of a group by the number of income recipients in that group

median income

that level of income that divides the income recipients in a group into two halves, one half having incomes above the median and the other half having incomes below the median ( it is the middle outcome)

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transfer payments

are payments from the government to assist people with basic costs of living; a number of terms are commonly used for transfer payments including: social welfare payments, government benefits, social security, income support and Centrelink payments

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underemployment

refers to those persons who are working less than full time (and therefore not unemployed) but would like to work full hours

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