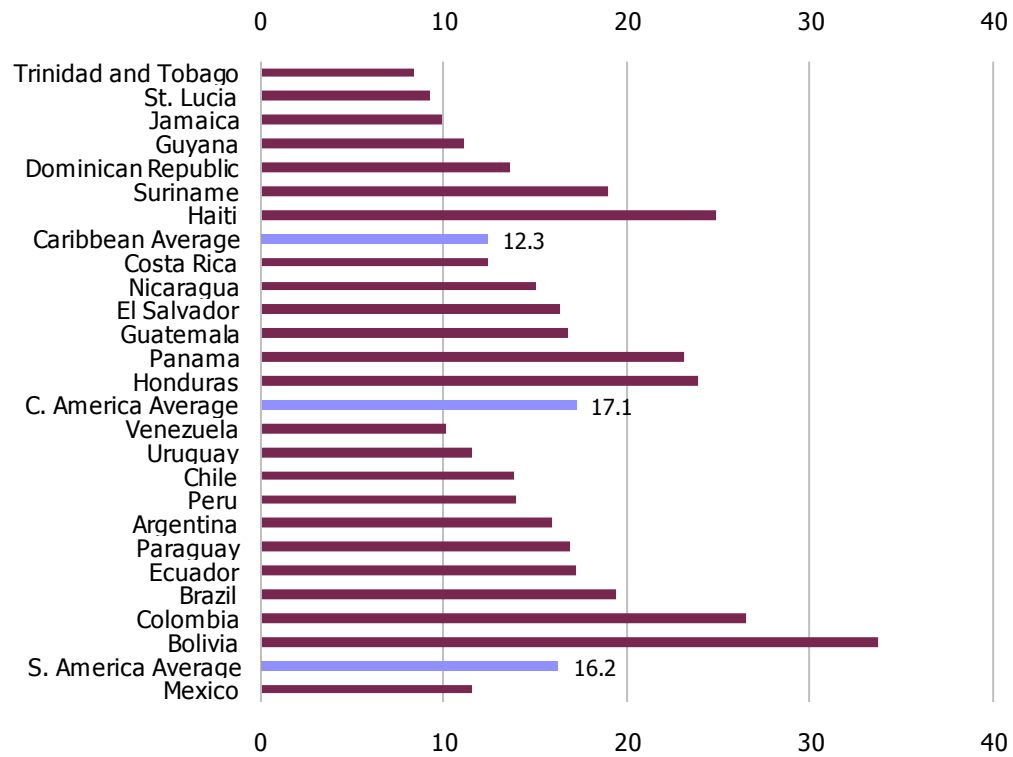


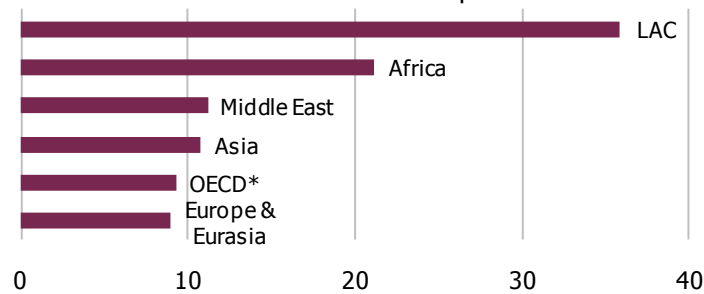
Income Inequality in LAC

Ratio of incomes of wealthiest 20% to poorest 20% of population



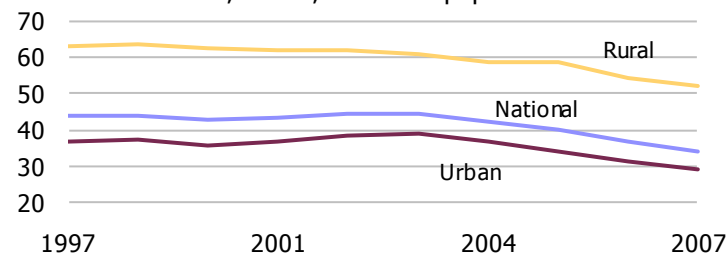
Income Inequality, USAID Presence Countries

Ratio of incomes in wealthiest 10% to poorest 10%



Poverty Trends in Latin America

Percent of national, urban, and rural populations



2.1 | Incidence of Poverty percentage

	Survey Year	Rural %	Urban %	National %	Survey Year	Population below \$1.25/day	Poverty gap at \$1.25/day	Population below \$2/day	Poverty gap at \$2/day
Dominican Republic	2000	45.3	18.2	27.7	2003	6.1	1.5	16.3	5.1
	2004	55.7	34.7	42.2	2005	5.0	0.9	15.1	4.3
Guyana	1993	.	.	43.2	1993	5.8	2.6	15.0	5.4
	1998	.	.	35.0	1998	7.7	3.9	16.8	6.9
Haiti	1987	.	.	65.0	2001	54.9	28.2	72.1	41.8
	1995	66.0	.	.	.	.	.	.	.
Jamaica	1995	37.0	18.7	27.5	2002	<2.0	<0.5	8.7	1.6
	2000	25.1	12.8	18.7	2004	<2.0	<0.5	5.8	0.9
St. Lucia	.	.	.	.	1995	20.9	7.2	40.6	15.5
Suriname	.	.	.	.	1999	15.5	5.9	27.2	11.7
Trinidad and Tobago	1992	20.0	24.0	21.0	1988	<2.0	<0.5	8.6	1.9
	.	.	.	.	1992	4.2	1.1	13.5	3.9
Caribbean									
Costa Rica	1992	25.5	19.2	22.0	2003	5.6	2.4	11.5	4.7
	2004	28.3	20.8	23.9	2005	2.4	<0.5	8.6	2.3
El Salvador	1995	64.8	38.9	50.6	2003	14.3	6.7	25.3	11.6
	2002	49.8	28.5	37.2	2005	11.0	4.8	20.5	8.9
Guatemala	1989	71.9	33.7	57.9	2002	16.9	6.5	29.8	12.9
	2000	74.5	27.1	56.2	2006	11.7	3.5	24.3	8.9
Honduras	1999	71.2	28.6	52.5	2005	22.2	10.2	34.8	16.7
	2004	70.4	29.5	50.7	2006	18.2	8.2	29.7	14.1
Nicaragua	1993	76.1	31.9	50.3	2001	19.4	6.7	37.5	14.4
	1998	68.5	30.5	47.9	2005	15.8	5.2	31.8	12.3
Panama	1997	64.9	15.3	37.3	2004	9.2	2.7	18.0	6.8
	.	.	.	.	2006	9.5	3.1	17.8	7.1
Central America									
Argentina	1995	.	28.4	.	2002	9.9	2.9	19.7	7.4
	1998	.	29.9	.	2005	4.5	1.0	11.3	3.6
Bolivia	1999	81.7	50.6	62.7	2002	22.8	12.4	34.2	18.5
	2002	83.5	53.9	65.2	2005	19.6	9.7	30.3	15.5
Brazil	1998	51.4	14.7	22.0	2005	7.8	1.6	18.3	5.9
	2003	41.0	17.5	21.5	2007	5.2	1.3	12.7	4.1
Chile	1996	.	.	19.9	2003	<2.0	<0.5	5.3	1.3
	1998	.	.	17.0	2006	<2.0	<0.5	2.4	<0.5
Colombia	1995	79.0	48.0	60.0	2003	15.4	6.1	26.3	10.9
	1999	79.0	55.0	64.0	2006	16.0	5.7	27.9	11.9
Ecuador	1995	56.0	19.0	34.0	2005	9.8	3.2	20.4	7.6
	1998	69.0	30.0	46.0	2007	4.7	1.2	12.8	4.0
Paraguay	1990	28.5	19.7	20.5	2005	9.3	3.4	18.4	7.3
	.	.	.	.	2007	6.5	2.7	14.2	5.5
Peru	2001	77.1	42.0	54.3	2005	8.2	2.0	19.4	6.3
	2004	72.1	42.9	53.1	2006	7.9	1.9	18.5	5.9
Uruguay	1994	.	20.2	.	2005	<2.0	<0.5	4.5	0.7
	1998	.	24.7	.	2006	<2.0	<0.5	4.2	0.6
Venezuela	1989	.	.	31.3	2005	10.0	4.5	19.8	8.4
	.	.	.	.	2006	3.5	1.2	10.2	3.2
South America									
Mexico	2002	34.8	11.4	20.3	2004	2.8	1.4	7.0	2.6
	2004	27.9	11.3	17.6	2006	<2.0	<0.5	4.8	1.0
LAC									

2.2 | Distribution of Income or Consumption

World Bank

	Survey Year	Percentage Share of Income							Gini Index
		Lowest 10%	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%	Highest 10%	
Dominican Republic	2005	1.5	4.0	8.0	12.9	20.6	54.5	38.7	50.0
Guyana	1998	1.3	4.5	9.8	14.7	21.6	49.5	34.0	44.6
Haiti	2001	0.9	2.5	5.9	10.5	18.1	63.0	47.8	59.5
Jamaica	2004	2.1	5.2	9.0	13.8	20.9	51.2	35.6	45.5
St. Lucia	1995	2.0	5.2	9.9	14.8	21.8	48.3	32.5	42.6
Suriname	1999	1.0	3.0	7.2	12.6	20.9	56.4	40.0	52.9
Trinidad and Tobago	1992	2.1	5.5	10.3	15.5	22.7	45.9	29.9	40.3
Caribbean									
Costa Rica	2005	1.5	4.2	8.6	13.9	21.7	51.8	35.5	47.2
El Salvador	2005	1.0	3.3	8.1	13.6	21.6	53.4	37.0	49.7
Guatemala	2006	1.3	3.4	7.2	12.0	19.5	57.8	42.4	53.7
Honduras	2006	0.7	2.5	6.7	12.1	20.4	58.4	42.2	55.3
Nicaragua	2005	1.4	3.8	7.7	12.3	19.4	56.9	41.8	52.3
Panama	2006	0.8	2.5	6.6	12.1	20.8	58.0	41.4	54.9
Central America									
Argentina	2005	1.2	3.4	7.8	13.3	21.6	53.9	37.3	50.0
Bolivia	2005	0.5	1.8	5.9	11.4	20.2	60.7	44.1	58.2
Brazil	2007	1.1	3.0	6.9	11.8	19.6	58.7	43.0	55.0
Chile	2006	1.6	4.1	7.7	12.2	19.3	56.8	41.7	52.0
Colombia	2006	0.8	2.3	6.0	11.0	19.1	61.6	45.9	58.5
Ecuador	2007	1.2	3.4	7.2	11.8	19.2	58.5	43.3	54.4
Paraguay	2007	1.1	3.4	7.6	12.2	19.4	57.4	42.3	53.2
Peru	2006	1.5	3.9	8.0	13.2	21.0	54.0	37.9	49.6
Uruguay	2006	1.7	4.5	8.7	14.0	21.8	51.1	34.8	46.2
Venezuela	2006	1.7	4.9	9.6	14.8	22.1	48.6	32.7	43.4
South America									
Mexico	2006	1.8	4.6	8.6	13.2	20.3	53.3	37.9	48.1
LAC									

2.3 | Income Inequity - Gini Index

UN Economic Commission for Latin America and the Caribbean

		1996-98	1999	2000	2001	2002	2003	2004	2005	2006	2007
Dominican Republic	National	.	.	.	.	53.7	.	58.6	56.9	57.8	55.6
	Rural	.	.	.	.	46.4	.	50.3	54.2	52.0	50.8
	Urban	.	.	.	.	53.5	.	59.8	56.8	58.4	56.4
Caribbean											
Costa Rica	National	45.0	47.3	.	.	48.8	.	47.8	47.0	47.8	48.4
	Rural	42.6	45.7	.	.	48.1	.	45.3	44.4	44.9	44.1
	Urban	42.9	45.4	.	.	46.5	.	46.2	45.9	46.9	47.9
El Salvador	National	51.0	51.8	.	52.5	.	.	49.3	.	.	.
	Rural	42.3	46.2	.	47.7	.	.	45.6	.	.	.
	Urban	46.7	46.2	.	47.7	.	.	45.5	.	.	.
Guatemala	National	56.0	.	.	.	54.3	.	.	.	58.5	.
	Rural	51.0	.	.	.	47.0	.	.	.	52.6	.
	Urban	52.5	.	.	.	52.4	.	.	.	54.7	.
Honduras	National	55.8	56.4	.	.	58.8	58.7	.	.	60.5	58.0
	Rural	50.4	51.2	.	.	51.9	50.8	.	.	60.1	57.1
	Urban	52.7	51.8	.	.	53.3	52.7	.	.	51.5	49.4
Nicaragua	National	58.4	.	.	57.9	.	.	.	53.2	.	.
	Rural	55.8	.	.	50.6	.	.	.	49.7	.	.
	Urban	55.1	.	.	56.0	.	.	.	50.0	.	.
Panama	National	57.0	53.6	.	.	56.1	.	54.8	54.5	54.0	52.4
	Rural	51.1	48.1	.	.	51.5	.	54.2	53.6	54.9	52.8
	Urban	54.3	49.9	.	.	51.5	.	50.0	50.0	48.4	47.1
Central America											
Argentina	National	.	54.2	.	.	59.0	.	53.7	52.4	51.0	.
	Urban	53.0	53.9	.	.	57.8	.	53.1	52.6	51.9	.
Bolivia	National	59.5	58.6	.	.	61.4	.	.	.	.	56.5
	Rural	63.7	64.0	.	.	63.2	.	.	.	.	59.9
	Urban	53.1	50.4	.	.	55.4	.	.	.	.	49.9
Brazil	National	63.8	64.0	.	63.9	.	62.1	61.2	61.3	60.4	59.0
	Rural	57.8	57.7	.	58.1	.	56.4	55.2	54.2	54.1	56.3
	Urban	62.0	62.5	.	62.8	.	61.2	60.3	60.4	59.6	57.9
Chile	National	55.3	.	55.9	.	.	55.0	.	.	52.2	.
	Rural	49.2	.	51.1	.	.	50.7	.	.	50.6	.
	Urban	54.4	.	55.3	.	.	54.7	.	.	51.7	.
Colombia	National	56.9	57.2	.	.	56.9	.	57.7	58.4	.	.
	Rural	55.4	52.5	.	.	49.9	.	46.5	49.5	.	.
	Urban	57.7	56.4	.	.	57.6	.	58.2	58.7	.	.
Ecuador	National	.	.	.	.	.	.	51.3	53.1	52.6	54.0
	Rural	.	.	.	.	.	.	43.1	46.9	47.9	48.4
	Urban	46.9	52.1	.	.	51.3	.	49.8	51.3	50.5	52.0
Paraguay	National	.	56.5	.	57.0	.	.	54.8	53.6	.	53.9
	Rural	.	57.0	.	54.8	.	.	57.0	52.3	.	58.6
	Urban	49.3	49.7	.	51.1	.	.	49.6	50.4	.	48.2
Peru	National	53.2	54.5	.	52.5	.	50.6	50.5	.	.	.
	Rural	45.1	42.7	.	43.9	.	35.8	39.8	.	.	.
	Urban	47.3	49.8	.	47.7	.	45.6	47.1	.	.	.
Uruguay	Urban	43.0	44.0	.	.	45.5	.	46.4	45.2	.	45.7
Venezuela	National	50.7	49.8	.	.	50.0	.	47.0	49.0	44.1	42.7
	Urban	.	.	.	.	.	.	.	.	.	.
South America											
Mexico	National	53.9	.	54.2	.	51.4	.	51.6	52.8	50.6	.
	Rural	48.6	.	55.3	.	49.8	.	48.0	48.6	46.6	.
	Urban	50.7	.	49.3	.	47.7	.	49.3	49.7	47.8	.
LAC											

2.4 | Individual Food Security

Daily dietary energy consumption in kilocalories per person

	1969-71	1979-81	1990-92	1995-97	2001-03	2003-05
Bahamas	2,590	2,470	2,620	2,480	2,710	2,660
Barbados	2,850	3,040	3,060	2,940	3,100	3,070
Belize	2,290	2,770	2,650	2,740	2,840	2,850
Cuba	2,660	2,880	2,720	2,430	3,190	3,320
Dominica	2,020	2,240	2,940	2,800	2,770	2,760
Dominican Republic	2,020	2,270	2,260	2,290	2,290	2,270
Grenada	2,240	2,280	2,830	2,940	2,930	2,930
Guyana	2,280	2,500	2,350	2,600	2,730	2,790
Haiti	1,950	2,040	1,780	1,880	2,090	2,110
Jamaica	2,470	2,610	2,500	2,600	2,680	2,710
Netherlands Antilles	2,440	3,050	2,510	2,480	2,590	2,550
St. Kitts and Nevis	1,940	2,270	2,580	2,450	2,700	2,730
St. Lucia	2,030	2,360	2,740	2,790	2,950	2,930
St. Vincent and Grenadines	2,250	2,420	2,300	2,230	2,580	2,660
Suriname	2,240	2,400	2,530	2,640	2,660	2,730
Trinidad and Tobago	2,510	2,960	2,630	2,620	2,760	2,820
Caribbean	2,299	2,535	2,563	2,557	2,723	2,743
Costa Rica	2,250	2,510	2,720	2,760	2,850	2,810
El Salvador	1,850	2,300	2,490	2,430	2,560	2,560
Guatemala	2,080	2,290	2,350	2,230	2,210	2,230
Honduras	2,150	2,120	2,310	2,370	2,360	2,340
Nicaragua	2,330	2,270	2,220	2,160	2,290	2,290
Panama	2,330	2,270	2,320	2,280	2,260	2,300
Central America	2,165	2,293	2,402	2,372	2,422	2,422
Argentina	3,270	3,210	3,000	3,160	2,980	2,920
Bolivia	2,000	2,130	2,110	2,180	2,220	2,220
Brazil	2,430	2,680	2,810	2,930	3,060	3,110
Chile	2,660	2,670	2,610	2,780	2,860	2,870
Colombia	1,950	2,290	2,440	2,570	2,580	2,580
Ecuador	2,160	2,360	2,510	2,670	2,710	2,670
Paraguay	2,580	2,580	2,400	2,550	2,530	2,530
Peru	2,250	2,130	1,960	2,370	2,570	2,580
Uruguay	2,950	2,850	2,660	2,790	2,850	2,920
Venezuela	2,340	2,760	2,460	2,380	2,350	2,340
South America	2,459	2,566	2,496	2,638	2,671	2,674
Mexico	2,650	3,120	3,100	3,120	3,180	3,170
LAC	2,470	2,700	2,710	2,790	2,870	2,880

Sources and Technical Notes – Poverty

Figures

Income Inequality

Source World Bank, *World Development Indicators* (online version) as of May, 2009.

Notes The ratio of income by wealth group provides a method of indicating income inequality. The ratio is formulated by dividing the wealthier group's income share by the poorer group's income share. Higher ratios therefore indicate greater income inequality.

* Except for Mexico, members of the OECD are not countries in which USAID has a presence; but are provided for reference to indicate developed countries.

Poverty Trends in Latin America

Source ECLAC, *Base de Estadísticas e Indicadores Sociales* (online) as of June, 2009.

Table 2.1

Incidence of Poverty

Source World Bank, *World Development Indicators* (online version) as of May, 2009.

Definitions *Poverty Headcount, National (% of population)* The percentage of the population living below the national poverty line. National estimates are based on population-weighted subgroup estimates from household surveys.

Poverty Headcount, Urban (% of population) The percentage of the urban population living below the national urban poverty line. *Poverty Headcount, Rural (% of population)* The percentage of the rural population living below the national rural poverty line.

Population Below \$1.25/day The percentage of the population living on less than \$1.25 a day at 2005 international prices. As a result of revisions in PPP exchange rates, poverty rates for individual countries cannot be compared with poverty rates reported in earlier editions.

Poverty gap at \$1.25/day Poverty gap is the mean shortfall from the poverty line (counting the nonpoor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence.

Population Below \$2/day The percentage of the population living on less than \$2.00 a day at 2005 international prices. As a result of revisions in PPP exchange rates, poverty rates for individual countries cannot be compared with poverty rates reported in earlier editions.

Poverty gap at \$2/day Poverty gap is the mean shortfall from the poverty line (counting the nonpoor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence.

Table 2.2

Distribution of Income or Consumption – World Bank

Source World Bank, *World Development Indicators* (online version) as of May, 2009.

Definitions *Gini index* provides a convenient summary measure of the degree of inequality. It is an index that varies between 0 and 100, where 0 corresponds to absolute equality (i.e. everyone has the same income) and 100 to absolute inequality (i.e. one person has all the income, while everyone else has zero income). *Percentage share of income or consumption* is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.

Table 2.3

Income Inequity - Gini Index – UN Economic Commission for Latin America and the Caribbean

Source ECLAC, *Base de Estadísticas e Indicadores Sociales* (online) as of June, 2009.

Definitions *Gini index* as noted above, measuring the distribution of household income.

Notes To maintain scale with legacy presentations, original data has been multiplied by 100 for this presentation. The column 1996-98 depicts the most recent year for which there is data during that period. Presented data reflects revisions by the original source.

Table 2.4

Individual Food Security

Source ECLAC, *Base de Estadísticas e Indicadores Sociales* (online) as of June, 2009.

Notes Regional average for LAC is reported per the original source. Sub-regional averages are calculated as unweighted averages of respective countries. The per capita dietary energy supply used corresponds to a three-year rather than annual average in order to even out the effect of errors in the annual food stocks data used in preparing the food balance sheets. Furthermore, only household survey data grouped according to income/expenditure classes are used, thus removing the effect of seasonal and other short-term variation that the household level data are subject to. As a consequence, the estimates refer to the average condition during the given three-year period, and the effects of seasonal and other short-term variations in food availability are not considered.