Teacher's version P.51-56 (2.2: The Lorenz Curve - Activity 2)

Assignment 1

The following table shows the income distribution of Hong Kong in 1971 and 2001.

1. Explain how the income distribution changed.
2. In the following diagram, the two Lorenz Curves show the income distribution of Hong Kong in 1971 and 2001. Identify with reasons which curve shows the income distribution of 2001.

Distribution of Household Incomes in Hong Kong (1971-2001)

Unit: % of total income

Income group	Cumulative percentage of total income 1971	Cumulative percentage of total income 2001
Lowest 20%	6.2	3.2
Second 20%	16.4	11
Third 20%	30.7	23.6
Fourth 20%	50.7	43.5
Highest 20%	100	100

Source: Hong Kong Census and Statistics Department

Lorenz Curve