

4. CITIES AND NATIONAL ECONOMIES

Income inequality and poverty in cities

Poverty rates are slightly lower in metropolitan areas than elsewhere, even though income inequality is 3.3% higher than the national average.

Metropolitan areas recorded slightly higher income inequality than non-metropolitan areas in 11 OECD countries where data was available. This reflects in part a relatively higher concentration of human capital in metropolitan areas compared to other places. On average, the Gini index of inequality is 3.3% higher in metropolitan areas than in the rest of the respective country (Figure 4.13). The countries with the largest national income inequality such as Chile, the US and Canada also display the largest variation in income inequality across metropolitan areas. For instance, dispersion in Canada is highest, with the Gini index in Calgary being approximately 0.45 but only 0.29 in Québec city. In the US, income inequality is 31% higher in Miami than in the city of Lancaster (PA). Santiago in Chile is the most unequal city in the 10 countries considered.

Poverty rates, defined as the proportion of households having an income below 50% of the national median income, are similar between metropolitan and non-metropolitan areas. However, poverty can be more prevalent in some metropolitan areas than in others within the same country. In Italy, for example, Bologna is the metropolitan area with the lowest poverty rate, while in Naples the level of poverty is higher than the national average (Figure 4.14). The largest differences between metropolitan and national poverty rates exist in Norway, Denmark, Belgium (poverty being higher in the metropolitan areas than at national level) and Portugal, Italy, and France (poverty being lower in

the metropolitan areas). Hidalgo (Texas, US), where almost 40% of the population lives below the national poverty line, is the metropolitan area with the highest poverty rate among those considered in this report. The largest differences in poverty rates across metropolitan areas exist in the United States, ranging from 40% (Hidalgo, Texas) to 5% (Hennepin, Minnesota). Comparisons of poverty rates across metropolitan areas should be interpreted cautiously, however, as they might be at least partially compensated by differences in price levels.

Source

OECD (2018a), “Metropolitan areas”, OECD Regional Statistics (database). <http://dx.doi.org/10.1787/data-00531-en>.

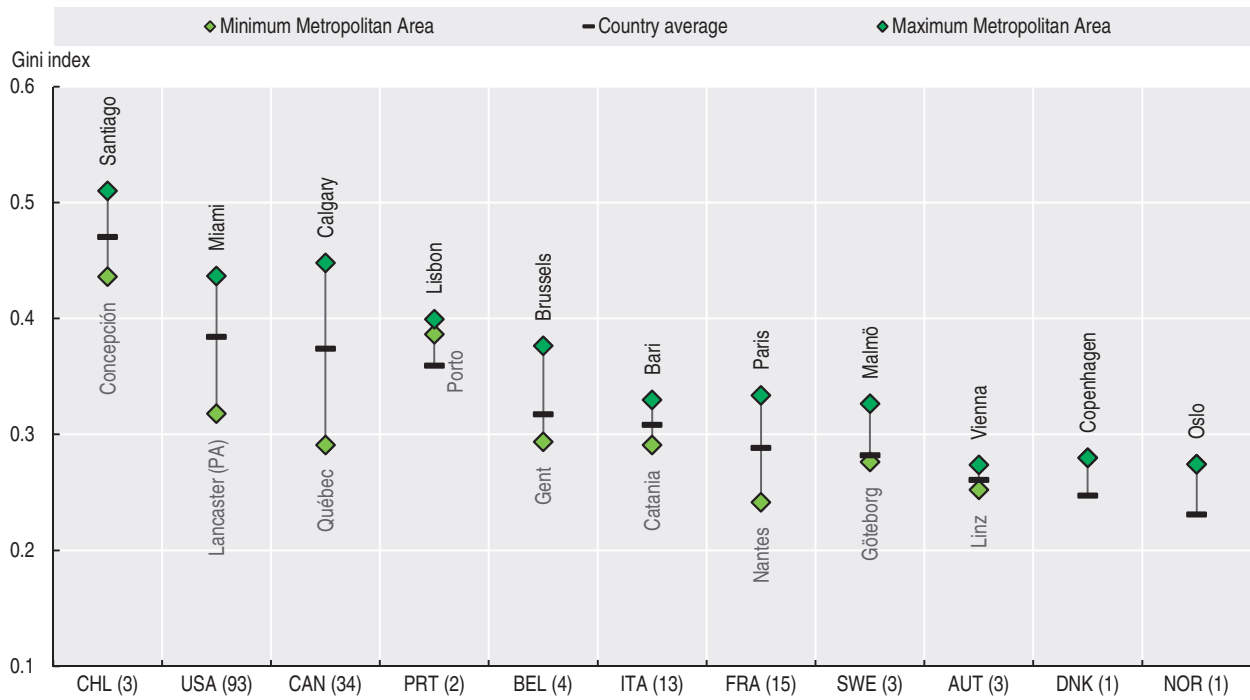
Reference years and territorial level

4.13, 4.14: Last available year 2017 for Estonia; 2014 for France; 2013 for Germany.

Figure notes

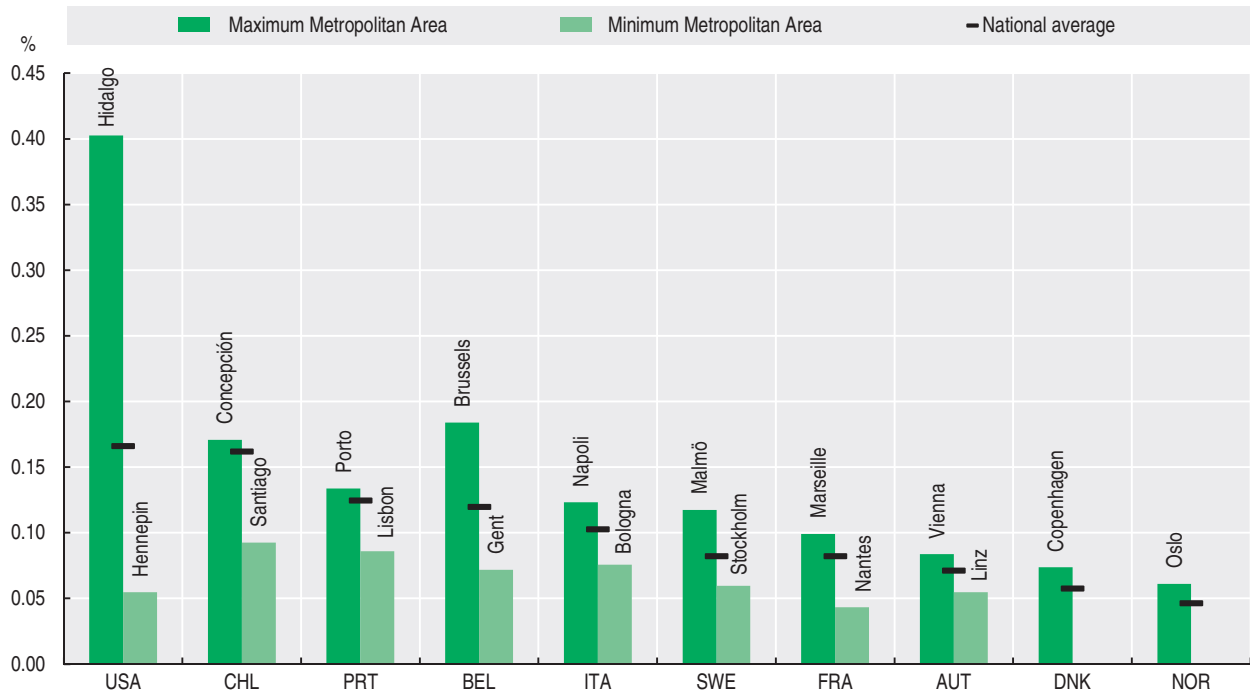
4.14: The poverty rates were computed based on the median household disposable income per equivalent household from the OECD Income Distribution database. These values were available for following years: 2015 for Chile, the US, Portugal, Belgium, France, Norway, Sweden, Austria; and 2014 for Denmark and Italy. The poverty rates at the national level were also taken from the OECD Distribution Income Database (<http://www.oecd.org/social/income-distribution-database.htm>).

4.13. Inequality in disposable income in metropolitan areas, 2016 or latest available year

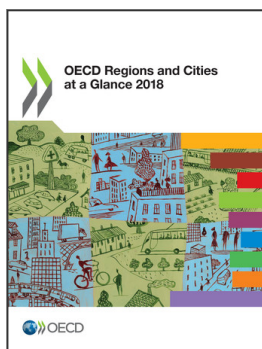


StatLink <http://dx.doi.org/10.1787/888933818131>

4.14. Poverty rates in metropolitan areas, 2016 or latest year available



StatLink <http://dx.doi.org/10.1787/888933818150>



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