Template for standard indicator

Technical documentation sheet

Indicator	S40 income share at two decimal places
JAF dimension	Inequality
Policy relevance	Relevant to combatting poverty and social exclusion
Agreed definition	This measures the (total share of income of the bottom 40% in the income distribution of a Member State, based on net disposable household equivalised income). The indicator is to be calculated to two decimal places.
Calculation method (incl. practical implementation, e.g. question in surveys)	This indicator is calculated on the basis of the microdata collected in the EU-SILC survey. Household income is summed from all sources (employment, social transfers), the OECD equivalisation scale is applied and income is attributed to each household member to create a distribution. Shares are calculated on the basis of this distribution.
Major breakdowns	none
Data source(s)	EU-SILC
Data periodicity	Annual
Data availability (countries * time, incl. EU aggregates)	2004 – present: EU-25 and averages 2007 – present: EU-27 and averages, EA averages 2010 – present: EU-28 and averages
Time Changes	
Sustainability of the data collection	EU-SILC is a recurrent survey governed by regulation and implemented by the NSIs of the EU Member States
Methodological issues (including comparability across countries and over time)	Some weaknesses have been identified in the right-tail of the distribution due to underreporting and sampling error. Sample size is robust for all EU Member States.

Conformity with the SPC-ISG guiding principles for the selection of indicators and statistics

SCP-ISG Methodological criteria	
The indicator captures the essence of the problem (policy relevance) and has a clear and accepted normative interpretation	Yes
The indicator is robust and statistically validated.	Yes
The indicator provides sufficient level of cross countries comparability.	Yes
The indicator is built on available underlying data. It is timely and susceptible to revision.	Yes

The indicator is responsive to policy interventions but not subject to manipulation.	Yes
EU/NAT classification	
Comments	