INCOME INEQUALITY QUESTIONNAIRE

This questionnaire concerns people's attitude to income inequality. We would be interested in **your** views, based on hypothetical situations. Because it is about attitudes there are no "right" answers. Some of the possible answers correspond to assumptions commonly made by economists: but these assumptions may not be good ones. Your responses will help to shed some light on this, and we would like to thank you for your participation. The questionnaire is anonymous. Please do not write your name on it.

Alfaland is a small country for which two economic programmes have been proposed. It is known that the programmes will have an identical effect on the population — except in so far as incomes are concerned (all the people in Alfaland are identical in every respect other than income). In questions 1 to 10 you are asked about two alternative lists of incomes A and B (in Alfaland local currency) which result from each of these programmes. Please state which programme you consider would lead to **higher inequality** in the community of Alfaland by circling A or B. If you consider that each of the programmes would result in the same inequality in the community then circle both A and B.

1. A = (5, 10, 10, 10, 10, 50, 50, 50, 50, 50)   B = (10, 10, 10, 10, 10, 50, 50, 50, 50, 50)

2. A = (7, 8, 10, 10, 10, 50, 50, 50, 50, 50)   B = (5, 10, 10, 10, 10, 50, 50, 50, 50, 50)

3. A = (10, 10, 10, 10, 10, 50, 50, 50, 50, 60)   B = (10, 10, 10, 10, 10, 10, 10, 10, 10, 10, 50, 50, 50, 50, 50, 50, 50, 50, 60, 60)

4. A = (10, 10, 10, 10, 10, 50, 50, 50, 50)   B = (20, 20, 20, 20, 20, 100, 100, 100, 100, 100)

5. A = (10, 10, 10, 10, 10, 50, 50, 50, 50, 50)   B = (20, 20, 20, 20, 20, 60, 60, 60, 60, 60)

6. A = (10, 10, 10, 10, 10, 70, 70, 100, 100, 100)   B = (10, 10, 10, 10, 10, 90, 90, 100, 100, 100)

7. A = (10, 10, 10, 50, 50, 50, 50, 90, 90, 90)   B = (10, 10, 10, 10, 10, 90, 90, 90, 90, 90)

8. A = (10, 10, 50, 50, 50, 50, 50, 50, 50, 100, 100, 100, 100, 100)   B = (50, 50, 50, 50, 50, 50, 50, 100, 100, 100, 100, 100, 100, 100)

9. A = (5, 5, 10, 10, 10, 50, 50, 50, 60, 60)   B = (10, 10, 10, 10, 10, 50, 50, 50, 50, 50)

10. A = (5, 5, 5, 5, 5, 60, 60, 60, 60, 60)   B = (10, 10, 10, 10, 10, 50, 50, 50, 50, 50)

In each of the questions 11 to 19 you are presented with a hypothetical change and some views about that change. Please circle the letter alongside the view that corresponds most closely to your own. Feel free to add any comments which explain the reason for your choice.

11) Suppose there is a society consisting of two groups of people with many individuals in each group. One of the groups contains identical low-income people while the other group contains identical high-income people. If a few of the low-income individuals see their income drop by half, then:
a)   Income inequality decreases
b)   Income inequality remains the same
c)   Income inequality increases
d)   Whether income inequality increases/decreases/remains the same depends on the level of income

Suppose that instead of a few low-income individuals seeing their income drop by half, a few high-income individuals see their incomes double. Then income inequality...
a)   decreases.
b)   increases.
c)   remains unchanged.
d)   may move either way, depending on the level of income.

In the light of the above would you want to change your answer to question 1? If so please write your new response ("A" or "B" or "A and B") here:

12) Suppose we transfer income from a person who has more income to a person who has less, without changing anyone else's income. The two persons belong either to the poorest 50% or to the richest 50%, and after the transfer the person who formerly had more still has more. Income inequality in this society...
a)   has fallen
b)   has increased
c)   has not changed.

In the light of the above would you want to change your answer to question 2? If so please write your new response ("A" or "B" or "A and B") here:

In each of the questions 13 to 15, consider a society with only two groups which have different levels of income. All high-income people have the same income and all low-income people also have the same income.

13) Suppose we replicate this society with an exact copy of itself. After the replication, income inequality
a)   increases
b)   decreases
c)   remains the same

In the light of the above would you want to change your answer to question 3? If so please write your new response ("A" or "B" or "A and B") here:

14) Suppose we double the income of each person in the above society.
a) income inequality remains the same
b) income inequality has increased
c) income inequality has decreased
d) Whether income inequality increases/decreases/remains the same depends on the level of income

In the light of the above would you want to change your answer to question 4? If so please write your new response ("A" or "B" or "A and B") here:

15) Suppose we add the same fixed amount to the incomes of each person in the above society.
a) Income inequality has fallen
b) Income inequality remains the same
c) Income inequality has increased.
d) Whether income inequality increases/decreases/remains the same depends on the level of income

In the light of the above would you want to change your answer to question 5? If so please write your new response ("A" or "B" or "A and B") here:

16) Consider a society with only three income groups where all persons within a group have the same income level. The first group is the most populated one and has the lowest income level. The second group is less populated than the first one but has the highest income level. The third group is the least populated one and has an intermediate income level, closer to the highest income level of the second group than to the lowest income level of the first group. Suppose we add some income to each person belonging to the third group.
a) Income inequality increases
b) Income inequality falls
c) Income inequality remains unchanged
d) Whether income inequality increases/decreases/remains the same depends on the levels of income in each group

In the light of the above would you want to change your answer to question 6? If so please write your new response ("A" or "B" or "A and B") here:

17) Consider a society with three income groups with similar population shares and where all persons within a group have the same income level. Suppose that half the population of the intermediate group moves to the lowest-income group and the other half moves to the highest-income one.
a) Income inequality increases
b) Income inequality falls
c) Income inequality remains unchanged.
d) Whether income inequality increases/decreases/remains the same depends on the levels of income in each group.

In the light of the above would you want to change your answer to question 7? If so please write your new response ("A" or "B" or "A and B") here:

18) Consider a society with three income groups where all persons within a group have the same income level: the income gap between those in the lowest income group and the middle group is about the same as the gap between those in the middle group and the highest income group. The lowest income group has a very small population; the middle group has a very large population. Suppose we add to the incomes of lowest-income group people an amount that is so large that they are lifted to the level of the high-income group.
a)   Income inequality increases
b)   Income inequality decreases
c)   Income inequality does not change.

In the light of the above would you want to change your answer to question 8? If so please write your new response ("A" or "B" or "A and B") here:

19) Consider a society consisting of two groups of people with many individuals in each group. One of the groups contains identical low-income people while the other group contains identical high-income people. Suppose that one by one, low-income individuals become equally poorer and high-income individuals become equally richer. When half of the individuals have moved away from the original groups, the society has four income groups, and as individuals keep on moving the society ends up having once again two groups of identical poorer and richer people.
a)   Income inequality increases continuously
b)   Income inequality decreases continuously
c)   Income inequality at first increases and then decreases
d)   Income inequality at first decreases and then increases
e)   Income inequality remains the same throughout
f)   None of the above.

In the light of the above would you want to change your answer to questions 1, 9 and 10? If so please write your new responses here:
1:
9:
10:

Finally, we would be grateful for some information about yourself:

- *Are you male or female?*   *M/F*
- *What is your age?*   _____ *years*
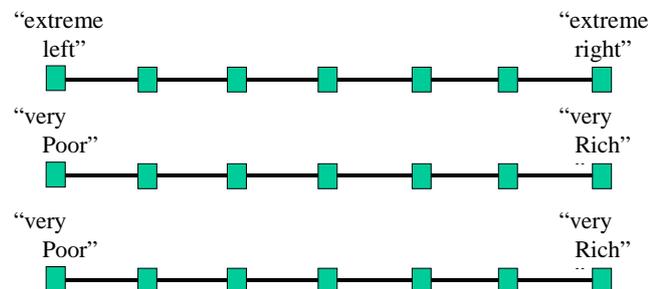- *What is your special subject of study?*   _____
- *Were you employed before university?*   *Yes / No*

- *How would you rate your political views? Please put a √ on this scale.*

"extreme left"   "extreme right"

- *How would you rate your family's income in 1995? Please put a √ on this scale.*

"very Poor"   "very Rich"

- *How would you rate your own income prospects in the year 2015? Please put a √ on this scale.*

"very Poor"   "very Rich"

Thanks once again for your help!