Title: An Experimental Test of the Concentration Index

Abstract:

The concentration index is widely used to measure health inequality. In spite of its widespread use, no insight exists whether using the concentration index reflects people's preferences about distributions of income and health. We tested the central assumption underlying the concentration index and found that it was systematically rejected by our data. To obtain insight into which alternative health inequality measure to use, we also tested several other principles that have been proposed in the literature. Our data showed that decreases in the spread of income and health are considered socially desirable, but decreases in the correlation between income and health not necessarily. Support for a condition implying that the inequality in the distribution of income and in the distribution of health can be considered separately was mixed.