The variety of inequality measures used in empirical research begs a question: which measure(s) should be used? We provide a unified framework to investigate and compare the properties of inequality measures. To start with, we provide a taxonomy of existing measures: almost all existing measures are linear; some are linear in rank (Atkinson and Entropy families); and others are linear in income (Gini family). We discuss and investigate the restrictions linearity imposes through the marginal rate of substitute between two transfer schemes. One transfer scheme—a redistribution—is more concerned with lifting individuals at the bottom; the other transfer scheme—a reassignment—is more concerned with limiting concentration at the top. To overcome the restrictions of linearity, we axiomatically characterize the family of non-linear inequality measures. Within this family, the power inequality measures are analytically tractable and capture a rich set of marginal rates of substitution. Finally, we discuss the implications of the choice of inequality measure for social welfare: the maximum importance placed on inequality depends on the properties of the inequality measures adopted.

**Linear and non-linear inequality measures**

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