

# Package ‘laeken’

July 22, 2025

**Type** Package

**Title** Estimation of Indicators on Social Exclusion and Poverty

**Version** 0.5.3

**Date** 2024-01-25

**Depends** R ( $\geq 3.2.0$ )

**Imports** boot, MASS

**Description** Estimation of indicators on social exclusion and poverty, as well as Pareto tail modeling for empirical income distributions.

**License** GPL ( $\geq 2$ )

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**Encoding** UTF-8

**RoxygenNote** 7.2.3

**NeedsCompilation** no

**Repository** CRAN

**Date/Publication** 2024-01-25 12:30:08 UTC

## Contents

laeken-package . . . . .	2
arpr . . . . .	4
arpt . . . . .	7
bootVar . . . . .	8
calibVars . . . . .	11
calibWeights . . . . .	12
eqInc . . . . .	14
eqSS . . . . .	15

eusile . . . . .	16
fitPareto . . . . .	18
gini . . . . .	20
gpg . . . . .	23
incMean . . . . .	25
incMedian . . . . .	26
incQuintile . . . . .	28
meanExcessPlot . . . . .	29
minAMSE . . . . .	31
paretoQPlot . . . . .	33
paretoScale . . . . .	35
paretoTail . . . . .	36
plot.paretoTail . . . . .	39
prop . . . . .	40
qsr . . . . .	43
replaceTail . . . . .	46
reweightOut . . . . .	47
rmpg . . . . .	49
ses . . . . .	52
shrinkOut . . . . .	54
thetaHill . . . . .	55
thetaISE . . . . .	57
thetaLS . . . . .	58
thetaMoment . . . . .	60
thetaPDC . . . . .	61
thetaQQ . . . . .	63
thetaTM . . . . .	64
thetaWML . . . . .	65
utils . . . . .	67
variance . . . . .	69
weightedMean . . . . .	72
weightedMedian . . . . .	73
weightedQuantile . . . . .	74
<b>Index</b>	<b>76</b>

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laeken-package

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*Estimation of Indicators on Social Exclusion and Poverty*


---

## Description

Estimation of indicators on social exclusion and poverty, as well as Pareto tail modeling for empirical income distributions.

## Details

The DESCRIPTION file:

```

Package:      laeken
Type:         Package
Title:        Estimation of Indicators on Social Exclusion and Poverty
Version:      0.5.3
Date:         2024-01-25
Depends:      R (>= 3.2.0)
Imports:      boot, MASS
Description:   Estimation of indicators on social exclusion and poverty, as well as Pareto tail modeling for empirical income
License:      GPL (>= 2)
Authors@R:    c(person("Andreas", "Alfons", email = "alfons@ese.eur.nl", role = c("aut", "cre"), comment = c(ORCID = "0000-0002-2513-3788"),
Author:       Andreas Alfons [aut, cre] (<https://orcid.org/0000-0002-2513-3788>), Josef Holzer [aut], Matthias Templ [aut]
Maintainer:   Andreas Alfons <alfons@ese.eur.nl>
Encoding:     UTF-8
RoxygenNote:  7.2.3

```

#### Index of help topics:

arpr	At-risk-of-poverty rate
arpt	At-risk-of-poverty threshold
bootVar	Bootstrap variance and confidence intervals of indicators on social exclusion and poverty
calibVars	Construct a matrix of binary variables for calibration
calibWeights	Calibrate sample weights
eqInc	Equivalized disposable income
eqSS	Equivalized household size
eusilc	Synthetic EU-SILC survey data
fitPareto	Fit income distribution models with the Pareto distribution
gini	Gini coefficient
gpg	Gender pay (wage) gap.
incMean	Weighted mean income
incMedian	Weighted median income
incQuintile	Weighted income quintile
laeken-package	Estimation of Indicators on Social Exclusion and Poverty
meanExcessPlot	Mean excess plot
minAMSE	Weighted asymptotic mean squared error (AMSE) estimator
paretoQPlot	Pareto quantile plot
paretoScale	Estimate the scale parameter of a Pareto distribution
paretoTail	Pareto tail modeling for income distributions
plot.paretoTail	Diagnostic plot for the Pareto tail model
prop	Proportion of an alternative distribution
qsr	Quintile share ratio
replaceTail	Replace observations under a Pareto model

reweightOut	Reweight outliers in the Pareto model
rmpg	Relative median at-risk-of-poverty gap
ses	Synthetic SES survey data
shrinkOut	Shrink outliers in the Pareto model
thetaHill	Hill estimator
thetaISE	Integrated squared error (ISE) estimator
thetaLS	Least squares (LS) estimator
thetaMoment	Moment estimator
thetaPDC	Partial density component (PDC) estimator
thetaQQ	QQ-estimator
thetaTM	Trimmed mean estimator
thetaWML	Weighted maximum likelihood estimator
utils	Utility functions for indicators on social exclusion and poverty
variance	Variance and confidence intervals of indicators on social exclusion and poverty
weightedMean	Weighted mean
weightedMedian	Weighted median
weightedQuantile	Weighted quantiles

### Author(s)

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Maintainer: Andreas Alfons <[alfons@ese.eur.nl](mailto:alfons@ese.eur.nl)>

### References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.

---

arpr	<i>At-risk-of-poverty rate</i>
------	--------------------------------

---

### Description

Estimate the at-risk-of-poverty rate, which is defined as the proportion of persons with equivalized disposable income below the at-risk-of-poverty threshold.

### Usage

```
arpr(
  inc,
  weights = NULL,
```

```

    sort = NULL,
    years = NULL,
    breakdown = NULL,
    design = NULL,
    cluster = NULL,
    data = NULL,
    p = 0.6,
    var = NULL,
    alpha = 0.05,
    threshold = NULL,
    na.rm = FALSE,
    ...
  )

```

### Arguments

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value. Note that the same (overall) threshold is used for all domains.
<code>design</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different strata for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>cluster</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional <code>data.frame</code> .
<code>p</code>	a numeric vector of values in $[0, 1]$ giving the percentages of the weighted median to be used for the at-risk-of-poverty threshold (see <a href="#">arpt</a> ).
<code>var</code>	a character string specifying the type of variance estimation to be used, or NULL to omit variance estimation. See <a href="#">variance</a> for possible values.

alpha	numeric; if var is not NULL, this gives the significance level to be used for computing the confidence interval (i.e., the confidence level is 1—alpha).
threshold	if 'NULL', the at-risk-at-poverty threshold is estimated from the data.
na.rm	a logical indicating whether missing values should be removed.
...	if var is not NULL, additional arguments to be passed to <a href="#">variance</a> .

## Details

The implementation strictly follows the Eurostat definition.

## Value

A list of class "arpr" (which inherits from the class "indicator") with the following components:

value	a numeric vector containing the overall value(s).
valueByStratum	a data.frame containing the values by domain, or NULL.
varMethod	a character string specifying the type of variance estimation used, or NULL if variance estimation was omitted.
var	a numeric vector containing the variance estimate(s), or NULL.
varByStratum	a data.frame containing the variance estimates by domain, or NULL.
ci	a numeric vector or matrix containing the lower and upper endpoints of the confidence interval(s), or NULL.
ciByStratum	a data.frame containing the lower and upper endpoints of the confidence intervals by domain, or NULL.
alpha	a numeric value giving the significance level used for computing the confidence interval(s) (i.e., the confidence level is 1—alpha), or NULL.
years	a numeric vector containing the different years of the survey.
strata	a character vector containing the different domains of the breakdown.
p	a numeric giving the percentage of the weighted median used for the at-risk-of-poverty threshold.
threshold	a numeric vector containing the at-risk-of-poverty threshold(s).

## Author(s)

Andreas Alfons

## References

- A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)
- Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat, Luxembourg.

## See Also

[arpt](#), [variance](#)

**Examples**

```
data(eusilc)

# overall value
arpr("eqIncome", weights = "rb050", data = eusilc)

# values by region
arpr("eqIncome", weights = "rb050",
     breakdown = "db040", data = eusilc)
```

---

arpt	<i>At-risk-of-poverty threshold</i>
------	-------------------------------------

---

**Description**

Estimate the at-risk-of-poverty threshold. The standard definition is to use 60% of the weighted median equivalized disposable income.

**Usage**

```
arpt(
  inc,
  weights = NULL,
  sort = NULL,
  years = NULL,
  data = NULL,
  p = 0.6,
  na.rm = FALSE
)
```

**Arguments**

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>data</code>	an optional <code>data.frame</code> .

`p` a numeric vector of values in  $[0, 1]$  giving the percentages of the weighted median to be used for the at-risk-of-poverty threshold.

`na.rm` a logical indicating whether missing values should be removed.

### Details

The implementation strictly follows the Eurostat definition.

### Value

A numeric vector containing the value(s) of the at-risk-of-poverty threshold is returned.

### Author(s)

Andreas Alfons

### References

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

### See Also

[arpr](#), [incMedian](#), [weightedMedian](#)

### Examples

```
data(eusilc)
arpt("eqIncome", weights = "rb050", data = eusilc)
```

---

bootVar	<i>Bootstrap variance and confidence intervals of indicators on social exclusion and poverty</i>
---------	--------------------------------------------------------------------------------------------------

---

### Description

Compute variance and confidence interval estimates of indicators on social exclusion and poverty based on bootstrap resampling.

### Usage

```
bootVar(
  inc,
  weights = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
```



```

    cluster = NULL,
    data = NULL,
    indicator,
    R = 100,
    bootType = c("calibrate", "naive"),
    X,
    totals = NULL,
    ciType = c("perc", "norm", "basic"),
    alpha = 0.05,
    seed = NULL,
    na.rm = FALSE,
    gender = NULL,
    method = NULL,
    ...
)

```

### Arguments

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value.
<code>design</code>	optional; either an integer vector or factor giving different strata for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, this is used as strata argument in the call to <a href="#">boot</a> .
<code>cluster</code>	optional; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional <code>data.frame</code> .
<code>indicator</code>	an object inheriting from the class "indicator" that contains the point estimates of the indicator (see <a href="#">arpr</a> , <a href="#">qsr</a> , <a href="#">rmpg</a> or <a href="#">gini</a> ).
<code>R</code>	a numeric value giving the number of bootstrap replicates.
<code>bootType</code>	a character string specifying the type of bootstrap to be performed. Possible values are "calibrate" (for calibration of the sample weights of the resampled observations in every iteration) and "naive" (for a naive bootstrap without calibration of the sample weights).

X	if bootType is "calibrate", a matrix of calibration variables.
totals	numeric; if bootType is "calibrate", this gives the population totals. If years is NULL, a vector should be supplied, otherwise a matrix in which each row contains the population totals of the respective year. If this is NULL (the default), the population totals are computed from the sample weights using the Horvitz-Thompson estimator.
ciType	a character string specifying the type of confidence interval(s) to be computed. Possible values are "perc", "norm" and "basic" (see <a href="#">boot.ci</a> ).
alpha	a numeric value giving the significance level to be used for computing the confidence interval(s) (i.e., the confidence level is 1−alpha), or NULL.
seed	optional; an integer value to be used as the seed of the random number generator, or an integer vector containing the state of the random number generator to be restored.
na.rm	a logical indicating whether missing values should be removed.
gender	either a numeric vector giving the gender, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
method	a character string specifying the method to be used (only for <a href="#">gpg</a> ). Possible values are "mean" for the mean, and "median" for the median. If weights are provided, the weighted mean or weighted median is estimated.
...	if bootType is "calibrate", additional arguments to be passed to <a href="#">calibWeights</a> .

### Value

An object of the same class as `indicator` is returned. See [arpr](#), [qsr](#), [rmpg](#) or [gini](#) for details on the components.

### Note

This function gives reasonable variance estimates for basic sample designs such as simple random sampling or stratified simple random sampling.

### Author(s)

Andreas Alfons

### References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](#)

### See Also

[variance](#), [calibWeights](#), [arpr](#), [qsr](#), [rmpg](#), [gini](#)

**Examples**

```

data(eusilc)
a <- arpr("eqIncome", weights = "rb050", data = eusilc)

## naive bootstrap
bootVar("eqIncome", weights = "rb050", design = "db040",
  data = eusilc, indicator = a, R = 50,
  bootType = "naive", seed = 123)

## bootstrap with calibration
bootVar("eqIncome", weights = "rb050", design = "db040",
  data = eusilc, indicator = a, R = 50,
  X = calibVars(eusilc$db040), seed = 123)

```

---

calibVars

---

*Construct a matrix of binary variables for calibration*


---

**Description**

Construct a matrix of binary variables for calibration of sample weights according to known marginal population totals.

**Usage**

```
calibVars(x)
```

**Arguments**

**x** a vector that can be interpreted as factor, or a matrix or data.frame consisting of such variables.

**Value**

A matrix of binary variables that indicate membership to the corresponding factor levels.

**Author(s)**

Andreas Alfons

**See Also**

[calibWeights](#)

**Examples**

```
data(eusilc)
# default method
aux <- calibVars(eusilc$rb090)
head(aux)
# data.frame method
aux <- calibVars(eusilc[, c("db040", "rb090")])
head(aux)
```

---

calibWeights

---

*Calibrate sample weights*


---

**Description**

Calibrate sample weights according to known marginal population totals. Based on initial sample weights, the so-called *g*-weights are computed by generalized raking procedures.

**Usage**

```
calibWeights(
  X,
  d,
  totals,
  q = NULL,
  method = c("raking", "linear", "logit"),
  bounds = c(0, 10),
  maxit = 500,
  tol = 1e-06,
  eps = .Machine$double.eps
)
```

**Arguments**

X	a matrix of binary calibration variables (see <a href="#">calibVars</a> ).
d	a numeric vector giving the initial sample weights.
totals	a numeric vector of population totals corresponding to the calibration variables in X.
q	a numeric vector of positive values accounting for heteroscedasticity. Small values reduce the variation of the <i>g</i> -weights.
method	a character string specifying the calibration method to be used. Possible values are "linear" for the linear method, "raking" for the multiplicative method known as raking and "logit" for the logit method.
bounds	a numeric vector of length two giving bounds for the <i>g</i> -weights to be used in the logit method. The first value gives the lower bound (which must be smaller than or equal to 1) and the second value gives the upper bound (which must be larger than or equal to 1).

maxit	a numeric value giving the maximum number of iterations.
tol	the desired accuracy for the iterative procedure.
eps	the desired accuracy for computing the Moore-Penrose generalized inverse (see <a href="#">ginv</a> ).

### Details

The final sample weights need to be computed by multiplying the resulting *g*-weights with the initial sample weights.

### Value

A numeric vector containing the *g*-weights.

### Note

This is a faster implementation of parts of calib from package *sampling*. Note that the default calibration method is raking and that the truncated linear method is not yet implemented.

### Author(s)

Andreas Alfons

### References

Deville, J.-C. and Särndal, C.-E. (1992) Calibration estimators in survey sampling. *Journal of the American Statistical Association*, **87**(418), 376–382.

Deville, J.-C., Särndal, C.-E. and Sautory, O. (1993) Generalized raking procedures in survey sampling. *Journal of the American Statistical Association*, **88**(423), 1013–1020.

### See Also

[calibVars](#), [bootVar](#)

### Examples

```
data(eusilc)
# construct auxiliary 0/1 variables for genders
aux <- calibVars(eusilc$rb090)
# population totals
totals <- c(3990798, 4191431)
# compute g-weights
g <- calibWeights(aux, eusilc$rb050, totals)
# compute final weights
weights <- g * eusilc$rb050
summary(weights)
```

---

eqInc	<i>Equivalized disposable income</i>
-------	--------------------------------------

---

**Description**

Compute the equivalized disposable income from household and personal income variables.

**Usage**

```
eqInc(hid, hplus, hminus, pplus, pminus, eqSS, year = NULL, data = NULL)
```

**Arguments**

hid	if data=NULL, a vector containing the household ID. Otherwise a character string specifying the column of data that contains the household ID.
hplus	if data=NULL, a data.frame containing the household income components that have to be added. Otherwise a character vector specifying the columns of data that contain these income components.
hminus	if data=NULL, a data.frame containing the household income components that have to be subtracted. Otherwise a character vector specifying the columns of data that contain these income components.
pplus	if data=NULL, a data.frame containing the personal income components that have to be added. Otherwise a character vector specifying the columns of data that contain these income components.
pminus	if data=NULL, a data.frame containing the personal income components that have to be subtracted. Otherwise a character vector specifying the columns of data that contain these income components.
eqSS	if data=NULL, a vector containing the equivalized household size. Otherwise a character string specifying the column of data that contains the equivalized household size. See <a href="#">eqSS</a> for more details.
year	if data=NULL, a vector containing the year of the survey. Otherwise a character string specifying the column of data that contains the year.
data	a data.frame containing EU-SILC survey data, or NULL.

**Details**

All income components should already be imputed, otherwise NAs are simply removed before the calculations.

**Value**

A numeric vector containing the equivalized disposable income for every individual in data.

**Author(s)**

Andreas Alfons

References

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

See Also

[eqSS](#)

Examples

```
data(eusilc)

# compute a simplified version of the equivalized disposable income
# (not all income components are available in the synthetic data)
hplus <- c("hy040n", "hy050n", "hy070n", "hy080n", "hy090n", "hy110n")
hminus <- c("hy130n", "hy145n")
pplus <- c("py010n", "py050n", "py090n", "py100n",
          "py110n", "py120n", "py130n", "py140n")
eqIncome <- eqInc("db030", hplus, hminus,
                 pplus, character(), "eqSS", data=eusilc)

# combine with household ID and equivalized household size
tmp <- cbind(eusilc[, c("db030", "eqSS")], eqIncome)

# show the first 8 rows
head(tmp, 8)
```

---

eqSS	<i>Equivalized household size</i>
------	-----------------------------------

---

Description

Compute the equivalized household size according to the modified OECD scale adopted in 1994.

Usage

```
eqSS(hid, age, year = NULL, data = NULL)
```

Arguments

- |      |                                                                                                                                                 |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| hid  | if data=NULL, a vector containing the household ID. Otherwise a character string specifying the column of data that contains the household ID.  |
| age  | if data=NULL, a vector containing the age of the individuals. Otherwise a character string specifying the column of data that contains the age. |
| year | if data=NULL, a vector containing the year of the survey. Otherwise a character string specifying the column of data that contains the year.    |
| data | a data.frame containing EU-SILC survey data, or NULL.                                                                                           |

**Value**

A numeric vector containing the equivalized household size for every observation in data.

**Author(s)**

Andreas Alfons

**References**

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

**See Also**

[eqInc](#)

**Examples**

```
data(eusilc)

# calculate equivalized household size
eqSS <- eqSS("db030", "age", data=eusilc)

# combine with household ID and household size
tmp <- cbind(eusilc[, c("db030", "hsize")], eqSS)

# show the first 8 rows
head(tmp, 8)
```

---

eusilc

*Synthetic EU-SILC survey data*

---

**Description**

This data set is synthetically generated from real Austrian EU-SILC (European Union Statistics on Income and Living Conditions) data.

**Usage**

```
data(eusilc)
```



**Format**

A data frame with 14827 observations on the following 28 variables.

db030 integer; the household ID.

hsize integer; the number of persons in the household.

db040 factor; the federal state in which the household is located (levels Burgenland, Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, Vienna and Vorarlberg).

rb030 integer; the personal ID.

age integer; the person's age.

rb090 factor; the person's gender (levels male and female).

pl030 factor; the person's economic status (levels 1 = working full time, 2 = working part time, 3 = unemployed, 4 = pupil, student, further training or unpaid work experience or in compulsory military or community service, 5 = in retirement or early retirement or has given up business, 6 = permanently disabled or/and unfit to work or other inactive person, 7 = fulfilling domestic tasks and care responsibilities).

pb220a factor; the person's citizenship (levels AT, EU and Other).

py010n numeric; employee cash or near cash income (net).

py050n numeric; cash benefits or losses from self-employment (net).

py090n numeric; unemployment benefits (net).

py100n numeric; old-age benefits (net).

py110n numeric; survivor's benefits (net).

py120n numeric; sickness benefits (net).

py130n numeric; disability benefits (net).

py140n numeric; education-related allowances (net).

hy040n numeric; income from rental of a property or land (net).

hy050n numeric; family/children related allowances (net).

hy070n numeric; housing allowances (net).

hy080n numeric; regular inter-household cash transfer received (net).

hy090n numeric; interest, dividends, profit from capital investments in unincorporated business (net).

hy110n numeric; income received by people aged under 16 (net).

hy130n numeric; regular inter-household cash transfer paid (net).

hy145n numeric; repayments/receipts for tax adjustment (net).

eqSS numeric; the equivalized household size according to the modified OECD scale.

eqIncome numeric; a slightly simplified version of the equivalized household income.

db090 numeric; the household sample weights.

rb050 numeric; the personal sample weights.

## Details

The data set consists of 6000 households and is used in the examples of package `laeken`. Note that this is a synthetic data set based on original EU-SILC survey data.

Only a few of the large number of variables in the original survey are included in this example data set. The variable names are rather cryptic codes, but these are the standardized names used by the statistical agencies. Furthermore, the variables `hsize`, `age`, `eqSS` and `eqIncome` are not included in the standardized format of EU-SILC data, but have been derived from other variables for convenience. Moreover, some very sparse income components were not included in the the generation of this synthetic data set. Thus the equalized household income is computed from the available income components.

## Source

This is a synthetic data set based on Austrian EU-SILC data from 2006. The original sample was provided by Statistics Austria.

## References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

A. Alfons, M. Templ, P. Filzmoser (2011) Simulation of close-to-reality population data for household surveys with application to EU-SILC. *Statistical Methods and Applications*, vol 20 (3), 383–407.

Eurostat (2004) Description of target variables: Cross-sectional and longitudinal. *EU-SILC 065/04*, Eurostat.

## Examples

```
data(eusilc)
summary(eusilc)
```

---

fitPareto

---

*Fit income distribution models with the Pareto distribution*


---

## Description

Fit a Pareto distribution to the upper tail of income data. Since a theoretical distribution is used for the upper tail, this is a semiparametric approach.

## Usage

```
fitPareto(
  x,
  k = NULL,
  x0 = NULL,
  method = "thetaPDC",
```

```

    groups = NULL,
    w = NULL,
    ...
)

```

### Arguments

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.
method	either a function or a character string specifying the function to be used to estimate the shape parameter of the Pareto distribution, such as <a href="#">thetaPDC</a> (the default). See “Details” for requirements for such a function and “See also” for available functions.
groups	an optional vector or factor specifying groups of elements of x (e.g., households). If supplied, each group of observations is expected to have the same value in x (e.g., household income). Only the values of every first group member to appear are used for fitting the Pareto distribution. For each group above the threshold, every group member is assigned the same value.
w	an optional numeric vector giving sample weights.
...	additional arguments to be passed to the specified method.

### Details

The arguments *k* and *x0* of course correspond with each other. If *k* is supplied, the threshold *x0* is estimated with the  $n - k$  largest value in *x*, where *n* is the number of observations. On the other hand, if the threshold *x0* is supplied, *k* is given by the number of observations in *x* larger than *x0*. Therefore, either *k* or *x0* needs to be supplied. If both are supplied, only *k* is used (mainly for back compatibility).

The function supplied to *method* should take a numeric vector (the observations) as its first argument. If *k* is supplied, it will be passed on (in this case, the function is required to have an argument called *k*). Similarly, if the threshold *x0* is supplied, it will be passed on (in this case, the function is required to have an argument called *x0*). As above, only *k* is passed on if both are supplied. If the function specified by *method* can handle sample weights, the corresponding argument should be called *w*. Additional arguments are passed via the ... argument.

### Value

A numeric vector with a Pareto distribution fit to the upper tail.

### Note

The arguments *x0* for the threshold (scale parameter) of the Pareto distribution and *w* for sample weights were introduced in version 0.2. This results in slightly different behavior regarding the function calls to *method* compared to prior versions.

**Author(s)**

Andreas Alfons and Josef Holzer

**See Also**

[paretoTail](#), [replaceTail](#)  
[thetaPDC](#), [thetaWML](#), [thetaHill](#), [thetaISE](#), [thetaLS](#), [thetaMoment](#), [thetaQQ](#), [thetaTM](#)

**Examples**

```
data(eusilc)

## gini coefficient without Pareto tail modeling
gini("eqIncome", weights = "rb050", data = eusilc)

## gini coefficient with Pareto tail modeling

# using number of observations in tail
eqIncome <- fitPareto(eusilc$eqIncome, k = 175,
  w = eusilc$db090, groups = eusilc$db030)
gini(eqIncome, weights = eusilc$rb050)

# using threshold
eqIncome <- fitPareto(eusilc$eqIncome, x0 = 44150,
  w = eusilc$db090, groups = eusilc$db030)
gini(eqIncome, weights = eusilc$rb050)
```

---

gini

*Gini coefficient*


---

**Description**

Estimate the Gini coefficient, which is a measure for inequality.

**Usage**

```
gini(
  inc,
  weights = NULL,
  sort = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
  cluster = NULL,
  data = NULL,
```

```

    var = NULL,
    alpha = 0.05,
    na.rm = FALSE,
    ...
)

```

## Arguments

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value.
<code>design</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different domains for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>cluster</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional <code>data.frame</code> .
<code>var</code>	a character string specifying the type of variance estimation to be used, or NULL to omit variance estimation. See <a href="#">variance</a> for possible values.
<code>alpha</code>	numeric; if <code>var</code> is not NULL, this gives the significance level to be used for computing the confidence interval (i.e., the confidence level is $1-\alpha$ ).
<code>na.rm</code>	a logical indicating whether missing values should be removed.
<code>...</code>	if <code>var</code> is not NULL, additional arguments to be passed to <a href="#">variance</a> .

## Details

The implementation strictly follows the Eurostat definition.

**Value**

A list of class "gini" (which inherits from the class "indicator") with the following components:

value	a numeric vector containing the overall value(s).
valueByStratum	a data.frame containing the values by domain, or NULL.
varMethod	a character string specifying the type of variance estimation used, or NULL if variance estimation was omitted.
var	a numeric vector containing the variance estimate(s), or NULL.
varByStratum	a data.frame containing the variance estimates by domain, or NULL.
ci	a numeric vector or matrix containing the lower and upper endpoints of the confidence interval(s), or NULL.
ciByStratum	a data.frame containing the lower and upper endpoints of the confidence intervals by domain, or NULL.
alpha	a numeric value giving the significance level used for computing the confidence interval(s) (i.e., the confidence level is 1−alpha), or NULL.
years	a numeric vector containing the different years of the survey.
strata	a character vector containing the different domains of the breakdown.

**Author(s)**

Andreas Alfons

**References**

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat, Luxembourg.

**See Also**

[variance](#), [qsr](#)

**Examples**

```
data(eusilc)

# overall value
gini("eqIncome", weights = "rb050", data = eusilc)

# values by region
gini("eqIncome", weights = "rb050",
    breakdown = "db040", data = eusilc)
```

gpg

*Gender pay (wage) gap.***Description**

Estimate the gender pay (wage) gap.

**Usage**

```
gpg(
  inc,
  gender = NULL,
  method = c("mean", "median"),
  weights = NULL,
  sort = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
  cluster = NULL,
  data = NULL,
  var = NULL,
  alpha = 0.05,
  na.rm = FALSE,
  ...
)
```

**Arguments**

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>gender</code>	either a factor giving the gender, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>method</code>	a character string specifying the method to be used. Possible values are "mean" for the mean, and "median" for the median. If weights are provided, the weighted mean or weighted median is estimated.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.

breakdown	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value.
design	optional and only used if var is not NULL; either an integer vector or factor giving different strata for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
cluster	optional and only used if var is not NULL; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
data	an optional <code>data.frame</code> .
var	a character string specifying the type of variance estimation to be used, or NULL to omit variance estimation. See <a href="#">variance</a> for possible values.
alpha	numeric; if var is not NULL, this gives the significance level to be used for computing the confidence interval (i.e., the confidence level is $1 - \alpha$ ).
na.rm	a logical indicating whether missing values should be removed.
...	if var is not NULL, additional arguments to be passed to <a href="#">variance</a> .

## Details

The implementation strictly follows the Eurostat definition (with default method "mean" and alternative method "median"). If weights are provided, the weighted mean or weighted median is estimated.

## Value

A list of class "gpg" (which inherits from the class "indicator") with the following components:

value	a numeric vector containing the overall value(s).
valueByStratum	a <code>data.frame</code> containing the values by domain, or NULL.
varMethod	a character string specifying the type of variance estimation used, or NULL if variance estimation was omitted.
var	a numeric vector containing the variance estimate(s), or NULL.
varByStratum	a <code>data.frame</code> containing the variance estimates by domain, or NULL.
ci	a numeric vector or matrix containing the lower and upper endpoints of the confidence interval(s), or NULL.
ciByStratum	a <code>data.frame</code> containing the lower and upper endpoints of the confidence intervals by domain, or NULL.
alpha	a numeric value giving the significance level used for computing the confidence interval(s) (i.e., the confidence level is $1 - \alpha$ ), or NULL.
years	a numeric vector containing the different years of the survey.
strata	a character vector containing the different domains of the breakdown.



**Author(s)**

Matthias Templ and Alexander Haider, using code for breaking down estimation by Andreas Alfons

**References**

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat, Luxembourg.

**See Also**

[variance](#), [qsr](#), [gini](#)

**Examples**

```
data(ses)

# overall value with mean
gpg("earningsHour", gender = "sex", weights = "weights",
    data = ses)

# overall value with median
gpg("earningsHour", gender = "sex", weights = "weights",
    data = ses, method = "median")

# values by education with mean
gpg("earningsHour", gender = "sex", weights = "weights",
    breakdown = "education", data = ses)

# values by education with median
gpg("earningsHour", gender = "sex", weights = "weights",
    breakdown = "education", data = ses, method = "median")
```

---

incMean

*Weighted mean income*


---

**Description**

Compute the weighted mean income.

**Usage**

```
incMean(inc, weights = NULL, years = NULL, data = NULL, na.rm = FALSE)
```

**Arguments**

<code>inc</code>	either a numeric vector giving the (equivalized disposable) income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>data</code>	an optional <code>data.frame</code> .
<code>na.rm</code>	a logical indicating whether missing values should be removed.

**Value**

A numeric vector containing the value(s) of the weighted mean income is returned.

**Author(s)**

Andreas Alfons

**See Also**

[weightedMean](#)

**Examples**

```
data(eusilc)
incMean("eqIncome", weights = "rb050", data = eusilc)
```

---

<code>incMedian</code>	<i>Weighted median income</i>
------------------------	-------------------------------

---

**Description**

Compute the weighted median income.

**Usage**

```
incMedian(
  inc,
  weights = NULL,
  sort = NULL,
  years = NULL,
  data = NULL,
  na.rm = FALSE
)
```

**Arguments**

inc	either a numeric vector giving the (equivalized disposable) income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
weights	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
sort	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
years	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
data	an optional <code>data.frame</code> .
na.rm	a logical indicating whether missing values should be removed.

**Details**

The implementation strictly follows the Eurostat definition.

**Value**

A numeric vector containing the value(s) of the weighted median income is returned.

**Author(s)**

Andreas Alfons

**References**

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

**See Also**

[arpt](#), [weightedMedian](#)

**Examples**

```
data(eusilc)
incMedian("eqIncome", weights = "rb050", data = eusilc)
```

---

incQuintile	<i>Weighted income quintile</i>
-------------	---------------------------------

---

### Description

Compute weighted income quintiles.

### Usage

```
incQuintile(
  inc,
  weights = NULL,
  sort = NULL,
  years = NULL,
  k = c(1, 4),
  data = NULL,
  na.rm = FALSE
)
```

### Arguments

inc	either a numeric vector giving the (equivalized disposable) income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
weights	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
sort	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
years	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
k	a vector of integers between 0 and 5 specifying the quintiles to be computed (0 gives the minimum, 5 the maximum).
data	an optional <code>data.frame</code> .
na.rm	a logical indicating whether missing values should be removed.

### Details

The implementation strictly follows the Eurostat definition.

### Value

A numeric vector (if `years` is NULL) or matrix (if `years` is not NULL) containing the values of the weighted income quintiles specified by `k` are returned.

**Author(s)**

Andreas Alfons

**References**

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

**See Also**

[qsr](#), [weightedQuantile](#)

**Examples**

```
data(eusilc)
incQuintile("eqIncome", weights = "rb050", data = eusilc)
```

---

meanExcessPlot	<i>Mean excess plot</i>
----------------	-------------------------

---

**Description**

The Mean Excess plot is a graphical method for detecting the threshold (scale parameter) of a Pareto distribution.

**Usage**

```
meanExcessPlot(
  x,
  w = NULL,
  probs = NULL,
  interactive = TRUE,
  pch = par("pch"),
  cex = par("cex"),
  col = par("col"),
  bg = "transparent",
  ...
)
```

**Arguments**

<b>x</b>	a numeric vector.
<b>w</b>	an optional numeric vector giving sample weights.
<b>probs</b>	an optional numeric vector of probabilities with values in $[0, 1]$ , defining the quantiles to be plotted. This is useful for large data sets, when it may not be desirable to plot every single point.

`interactive` a logical indicating whether the threshold (scale parameter) can be selected interactively by clicking on points. Information on the selected threshold is then printed on the console.

`pch, cex, col, bg` graphical parameters for the plot symbol of each data point or quantile (see [points](#)).

`...` additional arguments to be passed to [plot.default](#).

### Details

The corresponding mean excesses are plotted against the values of  $x$  (if supplied, only those specified by `probs`). If the tail of the data follows a Pareto distribution, these observations show a positive linear trend. The leftmost point of a fitted line can thus be used as an estimate of the threshold (scale parameter).

The interactive selection of the threshold (scale parameter) is implemented using [identify](#). For the usual X11 device, the selection process is thus terminated by pressing any mouse button other than the first. For the quartz device (on Mac OS X systems), the process is terminated either by a secondary click (usually second mouse button or Ctrl-click) or by pressing the ESC key.

### Value

If `interactive` is TRUE, the last selection for the threshold is returned invisibly as an object of class "paretoScale", which consists of the following components:

`x0` the selected threshold (scale parameter).

`k` the number of observations in the tail (i.e., larger than the threshold).

### Note

The functionality to account for sample weights and to select the threshold (scale parameter) interactively was introduced in version 0.2.

### Author(s)

Andreas Alfons and Josef Holzer

### See Also

[paretoScale](#), [paretoTail](#), [minAMSE](#), [paretoQPlot](#), [identify](#)

### Examples

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# with sample weights
meanExcessPlot(eusilc$eqIncome, w = eusilc$db090)

# without sample weights
```

```
meanExcessPlot(eusilc$eqIncome)
```

---

minAMSE

*Weighted asymptotic mean squared error (AMSE) estimator*


---

## Description

Estimate the scale and shape parameters of a Pareto distribution with an iterative procedure based on minimizing the weighted asymptotic mean squared error (AMSE) of the Hill estimator.

## Usage

```
minAMSE(
  x,
  weight = c("Bernoulli", "JASA"),
  kmin,
  kmax,
  mmax,
  tol = 0,
  maxit = 100
)

## S3 method for class 'minAMSE'
print(x, ...)
```

## Arguments

x	for minAMSE, a numeric vector. The print method is called by the generic function if an object of class "minAMSE" is supplied.
weight	a character vector specifying the weighting scheme to be used in the procedure. If "Bernoulli", the weight functions as described in the <i>Bernoulli</i> paper are applied. If "JASA", the weight functions as described in the <i>Journal of the Americal Statistical Association</i> are used.
kmin	An optional integer giving the lower bound for finding the optimal number of observations in the tail. It defaults to $\lceil \frac{n}{100} \rceil$ , where $n$ denotes the number of observations in x (see the references).
kmax	An optional integer giving the upper bound for finding the optimal number of observations in the tail (see "Details").
mmax	An optional integer giving the upper bound for finding the optimal number of observations for computing the nuisance parameter $\rho$ (see "Details" and the references).
tol	an integer giving the desired tolerance level for finding the optimal number of observations in the tail.
maxit	a positive integer giving the maximum number of iterations.
...	additional arguments to be passed to <code>print.default</code> .

## Details

The weights used in the weighted AMSE depend on a nuisance parameter  $\rho$ . Both the optimal number of observations in the tail and the nuisance parameter  $\rho$  are estimated iteratively using nonlinear integer minimization. This is currently done by a brute force algorithm, hence it is strongly recommended to supply upper bounds kmax and mmax.

See the references for more details on the iterative algorithm.

## Value

An object of class "minAMSE" with the following components:

kopt	the optimal number of observations in the tail.
x0	the corresponding threshold.
theta	the estimated shape parameter of the Pareto distribution.
MSEmin	the minimal MSE.
rho	the estimated nuisance parameter.
k	the examined range for the number of observations in the tail.
MSE	the corresponding MSEs.

## Author(s)

Josef Holzer and Andreas Alfons

## References

- Beirlant, J., Vynckier, P. and Teugels, J.L. (1996) Tail index estimation, Pareto quantile plots, and regression diagnostics. *Journal of the American Statistical Association*, **91**(436), 1659–1667.
- Beirlant, J., Vynckier, P. and Teugels, J.L. (1996) Excess functions and estimation of the extreme-value index. *Bernoulli*, **2**(4), 293–318.
- Dupuis, D.J. and Victoria-Feser, M.-P. (2006) A robust prediction error criterion for Pareto modelling of upper tails. *The Canadian Journal of Statistics*, **34**(4), 639–658.

## See Also

[thetaHill](#)

## Examples

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
minAMSE(eusilc$eqIncome[!duplicated(eusilc$db030)],
        kmin = 60, kmax = 150, mmax = 250)
```



paretoQPlot

*Pareto quantile plot***Description**

The Pareto quantile plot is a graphical method for inspecting the parameters of a Pareto distribution.

**Usage**

```
paretoQPlot(
  x,
  w = NULL,
  xlab = NULL,
  ylab = NULL,
  interactive = TRUE,
  x0 = NULL,
  theta = NULL,
  pch = par("pch"),
  cex = par("cex"),
  col = par("col"),
  bg = "transparent",
  ...
)
```

**Arguments**

<code>x</code>	a numeric vector.
<code>w</code>	an optional numeric vector giving sample weights.
<code>xlab, ylab</code>	axis labels.
<code>interactive</code>	a logical indicating whether the threshold (scale parameter) can be selected interactively by clicking on points. Information on the selected threshold is then printed on the console.
<code>x0, theta</code>	optional; if estimates of the threshold (scale parameter) and the shape parameter have already been obtained, they can be passed through the corresponding argument ( <code>x0</code> for the threshold, <code>theta</code> for the shape parameter). If both arguments are supplied and <code>interactive</code> is not <code>TRUE</code> , reference lines are drawn to indicate the parameter estimates.
<code>pch, cex, col, bg</code>	graphical parameters for the plot symbol of each data point (see <a href="#">points</a> ).
<code>...</code>	additional arguments to be passed to <code>plot.default</code> .

**Details**

If the Pareto model holds, there exists a linear relationship between the logarithms of the observed values and the quantiles of the standard exponential distribution, since the logarithm of a Pareto distributed random variable follows an exponential distribution. Hence the logarithms of the observed

values are plotted against the corresponding theoretical quantiles. If the tail of the data follows a Pareto distribution, these observations form almost a straight line. The leftmost point of a fitted line can thus be used as an estimate of the threshold (scale parameter). The slope of the fitted line is in turn an estimate of  $\frac{1}{\theta}$ , the reciprocal of the shape parameter.

The interactive selection of the threshold (scale parameter) is implemented using `identify`. For the usual X11 device, the selection process is thus terminated by pressing any mouse button other than the first. For the quartz device (on Mac OS X systems), the process is terminated either by a secondary click (usually second mouse button or Ctrl-click) or by pressing the ESC key.

### Value

If `interactive` is TRUE, the last selection for the threshold is returned invisibly as an object of class "paretoScale", which consists of the following components:

<code>x0</code>	the selected threshold (scale parameter).
<code>k</code>	the number of observations in the tail (i.e., larger than the threshold).

### Note

The functionality to account for sample weights and to select the threshold (scale parameter) interactively was introduced in version 0.2. Also starting with version 0.2, a logarithmic y-axis is now used to display the axis labels in the scale of the original values.

### Author(s)

Andreas Alfons and Josef Holzer

### References

- A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:10.18637/jss.v054.i15
- A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.
- Beirlant, J., Vynckier, P. and Teugels, J.L. (1996) Tail index estimation, Pareto quantile plots, and regression diagnostics. *Journal of the American Statistical Association*, **91**(436), 1659–1667.

### See Also

`paretoScale`, `paretoTail`, `minAMSE`, `meanExcessPlot`, `identify`

### Examples

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# with sample weights
```

```

paretoQPlot(eusilc$eqIncome, w = eusilc$db090)

# without sample weights
paretoQPlot(eusilc$eqIncome)

```

---

paretoScale

---

*Estimate the scale parameter of a Pareto distribution*


---

## Description

Estimate the scale parameter of a Pareto distribution, i.e., the threshold for Pareto tail modeling.

## Usage

```

paretoScale(
  x,
  w = NULL,
  groups = NULL,
  method = "VanKerm",
  center = c("mean", "median"),
  probs = c(0.97, 0.98),
  na.rm = FALSE
)

```

## Arguments

x	a numeric vector.
w	an optional numeric vector giving sample weights.
groups	an optional vector or factor specifying groups of elements of x (e.g., households). If supplied, each group of observations is expected to have the same value in x (e.g., household income). Only the values of every first group member to appear are used for estimating the threshold (scale parameter).
method	a character string specifying the estimation method. If "VanKerm", Van Kerm's method is used, which is a rule of thumb specifically designed for the equivalized disposable income in EU-SILC data (currently the only method implemented).
center	a character string specifying the estimation method for the center of the distribution. Possible values are "mean" for the weighted mean and "median" for the weighted median. This is used if method is "VanKerm" (currently the only method implemented).
probs	a numeric vector of length two giving probabilities to be used for computing weighted quantiles of the distribution. Values should be close to 1 such that the quantiles correspond to the upper tail. This is used if method is "VanKerm" (currently the only method implemented).
na.rm	a logical indicating whether missing values in x should be omitted.

## Details

Van Kerm's formula is given by

$$\min(\max(2.5\bar{x}, q(0.98), q(0.97))),$$

where  $\bar{x}$  denotes the weighted mean and  $q(\cdot)$  denotes weighted quantiles. This function allows to compute generalizations of Van Kerm's formula, where the mean can be replaced by the median and different quantiles can be used.

## Value

An object of class "paretoScale" with the following components:

x0	the threshold (scale parameter).
k	the number of observations in the tail (i.e., larger than the threshold).

## Author(s)

Andreas Alfons

## References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

Van Kerm, P. (2007) Extreme incomes and the estimation of poverty and inequality indicators from EU-SILC. IRISS Working Paper Series 2007-01, CEPS/INSTEAD.

## See Also

[minAMSE](#), [paretoQPlot](#), [meanExcessPlot](#)

## Examples

```
data(eusilc)
paretoScale(eusilc$eqIncome, eusilc$db090, groups = eusilc$db030)
```

---

paretoTail

*Pareto tail modeling for income distributions*

---

## Description

Fit a Pareto distribution to the upper tail of income data. Since a theoretical distribution is used for the upper tail, this is a semiparametric approach.

**Usage**

```

paretoTail(
  x,
  k = NULL,
  x0 = NULL,
  method = "thetaPDC",
  groups = NULL,
  w = NULL,
  alpha = 0.01,
  ...
)

```

**Arguments**

<code>x</code>	a numeric vector.
<code>k</code>	the number of observations in the upper tail to which the Pareto distribution is fitted.
<code>x0</code>	the threshold (scale parameter) above which the Pareto distribution is fitted.
<code>method</code>	either a function or a character string specifying the function to be used to estimate the shape parameter of the Pareto distribution, such as <a href="#">thetaPDC</a> (the default). See “Details” for requirements for such a function and “See also” for available functions.
<code>groups</code>	an optional vector or factor specifying groups of elements of <code>x</code> (e.g., households). If supplied, each group of observations is expected to have the same value in <code>x</code> (e.g., household income). Only the values of every first group member to appear are used for fitting the Pareto distribution.
<code>w</code>	an optional numeric vector giving sample weights.
<code>alpha</code>	numeric; values above the theoretical $1 - \alpha$ quantile of the fitted Pareto distribution will be flagged as outliers for further treatment with <a href="#">reweightOut</a> or <a href="#">replaceOut</a> .
<code>...</code>	additional arguments to be passed to the specified method.

**Details**

The arguments `k` and `x0` of course correspond with each other. If `k` is supplied, the threshold `x0` is estimated with the  $n - k$  largest value in `x`, where  $n$  is the number of observations. On the other hand, if the threshold `x0` is supplied, `k` is given by the number of observations in `x` larger than `x0`. Therefore, either `k` or `x0` needs to be supplied. If both are supplied, only `k` is used.

The function supplied to `method` should take a numeric vector (the observations) as its first argument. If `k` is supplied, it will be passed on (in this case, the function is required to have an argument called `k`). Similarly, if the threshold `x0` is supplied, it will be passed on (in this case, the function is required to have an argument called `x0`). As above, only `k` is passed on if both are supplied. If the function specified by `method` can handle sample weights, the corresponding argument should be called `w`. Additional arguments are passed via the `...` argument.

**Value**

An object of class "paretoTail" with the following components:

x	the supplied numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution has been fitted.
groups	if supplied, the vector or factor specifying groups of elements.
w	if supplied, the numeric vector of sample weights.
method	the function used to estimate the shape parameter, or the name of the function.
x0	the scale parameter.
theta	the estimated shape parameter.
tail	if groups is not NULL, this gives the groups with values larger than the threshold (scale parameter), otherwise the indices of observations in the upper tail.
alpha	the tuning parameter alpha used for flagging outliers.
out	if groups is not NULL, this gives the groups that are flagged as outliers, otherwise the indices of the flagged observations.

**Author(s)**

Andreas Alfons

**References**

- A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)
- A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.

**See Also**

[reweightOut](#), [shrinkOut](#), [replaceOut](#), [replaceTail](#), [fitPareto](#)  
[thetaPDC](#), [thetaWML](#), [thetaHill](#), [thetaISE](#), [thetaLS](#), [thetaMoment](#), [thetaQQ](#), [thetaTM](#)

**Examples**

```
data(eusilc)

## gini coefficient without Pareto tail modeling
gini("eqIncome", weights = "rb050", data = eusilc)

## gini coefficient with Pareto tail modeling

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090,
```

```

    groups = eusilc$db030)

# estimate shape parameter
fit <- paretoTail(eusilc$eqIncome, k = ts$k,
  w = eusilc$db090, groups = eusilc$db030)

# calibration of outliers
w <- reweightOut(fit, calibVars(eusilc$db040))
gini(eusilc$eqIncome, w)

# winsorization of outliers
eqIncome <- shrinkOut(fit)
gini(eqIncome, weights = eusilc$rb050)

# replacement of outliers
eqIncome <- replaceOut(fit)
gini(eqIncome, weights = eusilc$rb050)

# replacement of whole tail
eqIncome <- replaceTail(fit)
gini(eqIncome, weights = eusilc$rb050)

```

---

plot.paretoTail	<i>Diagnostic plot for the Pareto tail model</i>
-----------------	--------------------------------------------------

---

## Description

Produce a diagnostic Pareto quantile plot for evaluating the fitted Pareto distribution. Reference lines indicating the estimates of the threshold (scale parameter) and the shape parameter are added to the plot, and any detected outliers are highlighted.

## Usage

```

## S3 method for class 'paretoTail'
plot(
  x,
  pch = c(1, 3),
  cex = 1,
  col = c("black", "red"),
  bg = "transparent",
  ...
)

```

## Arguments

**x** an object of class "paretoTail" as returned by [paretoTail](#).

pch, cex, col, bg graphical parameters. Each can be a vector of length two, with the first and second element giving the graphical parameter for the good data points and the outliers, respectively.

... additional arguments to be passed to [paretoQPlot](#).

### Details

While the first horizontal line indicates the estimated threshold (scale parameter), the estimated shape parameter is indicated by a line whose slope is given by the reciprocal of the estimate. In addition, the second horizontal line represents the theoretical quantile of the fitted distribution that is used for outlier detection. Thus all values above that line are the detected outliers.

### Author(s)

Andreas Alfons

### References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

### See Also

[paretoTail](#), [paretoQPlot](#)

### Examples

```
data(eusilc)

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090,
  groups = eusilc$db030)

# estimate shape parameter
fit <- paretoTail(eusilc$eqIncome, k = ts$k,
  w = eusilc$db090, groups = eusilc$db030)

# produce plot
plot(fit)
```

---

prop

*Proportion of an alternative distribution*

---

### Description

Estimate the proportion of an alternative distribution.



**Usage**

```
prop(
  bin,
  weights = NULL,
  sort = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
  cluster = NULL,
  data = NULL,
  var = NULL,
  alpha = 0.05,
  na.rm = FALSE,
  ...
)
```

**Arguments**

<code>bin</code>	either a factor vector giving the values, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value.
<code>design</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different domains for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>cluster</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional data.frame.
<code>var</code>	a character string specifying the type of variance estimation to be used, or NULL to omit variance estimation. See <a href="#">variance</a> for possible values.
<code>alpha</code>	numeric; if <code>var</code> is not NULL, this gives the significance level to be used for computing the confidence interval (i.e., the confidence level is 1–alpha).

`na.rm` a logical indicating whether missing values should be removed.  
`...` if `var` is not NULL, additional arguments to be passed to [variance](#).

## Details

If weights are provided, the weighted proportion is estimated.

## Value

A list of class "prop" (which inherits from the class "indicator") with the following components:

`value` a numeric vector containing the overall value(s).  
`valueByStratum` a `data.frame` containing the values by domain, or NULL.  
`varMethod` a character string specifying the type of variance estimation used, or NULL if variance estimation was omitted.  
`var` a numeric vector containing the variance estimate(s), or NULL.  
`varByStratum` a `data.frame` containing the variance estimates by domain, or NULL.  
`ci` a numeric vector or matrix containing the lower and upper endpoints of the confidence interval(s), or NULL.  
`ciByStratum` a `data.frame` containing the lower and upper endpoints of the confidence intervals by domain, or NULL.  
`alpha` a numeric value giving the significance level used for computing the confidence interval(s) (i.e., the confidence level is  $1 - \alpha$ ), or NULL.  
`years` a numeric vector containing the different years of the survey.  
`strata` a character vector containing the different domains of the breakdown.

## Author(s)

Matthias Templ, using code for breaking down estimation by Andreas Alfons

## References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat, Luxembourg.

## See Also

[variance](#)

## Examples

```

data(eusilc)

# overall value
prop("rb090", weights = "rb050", data = eusilc)

# values by region
p1 <- prop("rb090", weights = "rb050",
  breakdown = "db040", cluster = "db030",
  data = eusilc)

p1

## Not run:
variance("rb090", weights = "rb050",
  breakdown = "db040", data = eusilc, indicator=p1,
  cluster="db030", X = calibVars(eusilc$db040))

## End(Not run)

eusilc$agecut <- cut(eusilc$age, 2)
p1 <- prop("agecut", weights = "rb050",
  breakdown = "db040",
  cluster="db030", data = eusilc)

p1

## Not run:
variance("agecut", weights = "rb050",
  breakdown = "db040", data = eusilc, indicator=p1,
  X = calibVars(eusilc$db040), cluster="db030")

## End(Not run)

eusilc$eqIncomeCat <- factor(ifelse(eusilc$eqIncome < quantile(eusilc$eqIncome,0.2), "one", "two"))
p1 <- prop("eqIncomeCat", weights = "rb050",
  breakdown = "db040", data = eusilc, cluster="db030")

p1

## Not run:
variance("eqIncomeCat", weights = "rb050",
  breakdown = "db040", data = eusilc, indicator=p1,
  X = calibVars(eusilc$db040), cluster="db030")

## End(Not run)

```

## Description

Estimate the quintile share ratio, which is defined as the ratio of the sum of equivalized disposable income received by the top 20% to the sum of equivalized disposable income received by the bottom 20%.

## Usage

```
qsr(
  inc,
  weights = NULL,
  sort = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
  cluster = NULL,
  data = NULL,
  var = NULL,
  alpha = 0.05,
  na.rm = FALSE,
  ...
)
```

## Arguments

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value.
<code>design</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different strata for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>cluster</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL)

	a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional <code>data.frame</code> .
<code>var</code>	a character string specifying the type of variance estimation to be used, or <code>NULL</code> to omit variance estimation. See <a href="#">variance</a> for possible values.
<code>alpha</code>	numeric; if <code>var</code> is not <code>NULL</code> , this gives the significance level to be used for computing the confidence interval (i.e., the confidence level is $1 - \alpha$ ).
<code>na.rm</code>	a logical indicating whether missing values should be removed.
<code>...</code>	if <code>var</code> is not <code>NULL</code> , additional arguments to be passed to <a href="#">variance</a> .

## Details

The implementation strictly follows the Eurostat definition.

## Value

A list of class "qsr" (which inherits from the class "indicator") with the following components:

<code>value</code>	a numeric vector containing the overall value(s).
<code>valueByStratum</code>	a <code>data.frame</code> containing the values by domain, or <code>NULL</code> .
<code>varMethod</code>	a character string specifying the type of variance estimation used, or <code>NULL</code> if variance estimation was omitted.
<code>var</code>	a numeric vector containing the variance estimate(s), or <code>NULL</code> .
<code>varByStratum</code>	a <code>data.frame</code> containing the variance estimates by domain, or <code>NULL</code> .
<code>ci</code>	a numeric vector or matrix containing the lower and upper endpoints of the confidence interval(s), or <code>NULL</code> .
<code>ciByStratum</code>	a <code>data.frame</code> containing the lower and upper endpoints of the confidence intervals by domain, or <code>NULL</code> .
<code>alpha</code>	a numeric value giving the significance level used for computing the confidence interval(s) (i.e., the confidence level is $1 - \alpha$ ), or <code>NULL</code> .
<code>years</code>	a numeric vector containing the different years of the survey.
<code>strata</code>	a character vector containing the different domains of the breakdown.

## Author(s)

Andreas Alfons

## References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat, Luxembourg.

**See Also**

[incQuintile](#), [variance](#), [gini](#)

**Examples**

```
data(eusilc)

# overall value
qsr("eqIncome", weights = "rb050", data = eusilc)

# values by region
qsr("eqIncome", weights = "rb050",
    breakdown = "db040", data = eusilc)
```

---

replaceTail

*Replace observations under a Pareto model*

---

**Description**

Replace observations under a Pareto model for the upper tail with values drawn from the fitted distribution.

**Usage**

```
replaceTail(x, ...)

## S3 method for class 'paretoTail'
replaceTail(x, all = TRUE, ...)

replaceOut(x, ...)
```

**Arguments**

<code>x</code>	an object of class "paretoTail" (see <a href="#">paretoTail</a> ).
<code>...</code>	additional arguments to be passed down.
<code>all</code>	a logical indicating whether all observations in the upper tail should be replaced or only those flagged as outliers.

**Details**

`replaceOut(x, ...{ })` is a simple wrapper for `replaceTail(x, all = FALSE, ...{ })`.

**Value**

A numeric vector consisting mostly of the original values, but with observations in the upper tail replaced with values from the fitted Pareto distribution.

**Author(s)**

Andreas Alfons

**References**

- A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)
- A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.

**See Also**

[paretoTail](#), [reweightOut](#), [shrinkOut](#)

**Examples**

```
data(eusilc)

## gini coefficient without Pareto tail modeling
gini("eqIncome", weights = "rb050", data = eusilc)

## gini coefficient with Pareto tail modeling

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090,
  groups = eusilc$db030)

# estimate shape parameter
fit <- paretoTail(eusilc$eqIncome, k = ts$k,
  w = eusilc$db090, groups = eusilc$db030)

# replacement of outliers
eqIncome <- replaceOut(fit)
gini(eqIncome, weights = eusilc$rb050)

# replacement of whole tail
eqIncome <- replaceTail(fit)
gini(eqIncome, weights = eusilc$rb050)
```

---

reweightOut

---

*Reweight outliers in the Pareto model*


---

**Description**

Reweight observations that are flagged as outliers in a Pareto model for the upper tail of the distribution.

**Usage**

```
reweightOut(x, ...)

## S3 method for class 'paretoTail'
reweightOut(x, X, w = NULL, ...)
```

**Arguments**

x	an object of class "paretoTail" (see <a href="#">paretoTail</a> ).
...	additional arguments to be passed down.
X	a matrix of binary calibration variables (see <a href="#">calibVars</a> ). This is only used if x contains sample weights or if w is supplied.
w	a numeric vector of sample weights. This is only used if x does not contain sample weights, i.e., if sample weights were not considered in estimating the shape parameter of the Pareto distribution.

**Details**

If the data contain sample weights, the weights of the outlying observations are set to 1 and the weights of the remaining observations are calibrated according to auxiliary variables. Otherwise, weight 0 is assigned to outliers and weight 1 to other observations.

**Value**

If the data contain sample weights, a numeric containing the recalibrated weights is returned, otherwise a numeric vector assigning weight 0 to outliers and weight 1 to other observations.

**Author(s)**

Andreas Alfons

**References**

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.

**See Also**

[paretoTail](#), [shrinkOut](#), [replaceOut](#), [replaceTail](#)



## Examples

```
data(eusilc)

## gini coefficient without Pareto tail modeling
gini("eqIncome", weights = "rb050", data = eusilc)

## gini coefficient with Pareto tail modeling
# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090,
  groups = eusilc$db030)
# estimate shape parameter
fit <- paretoTail(eusilc$eqIncome, k = ts$k,
  w = eusilc$db090, groups = eusilc$db030)
# calibration of outliers
w <- reweightOut(fit, calibVars(eusilc$db040))
gini(eusilc$eqIncome, w)
```

---

rmpg

*Relative median at-risk-of-poverty gap*


---

## Description

Estimate the relative median at-risk-of-poverty gap, which is defined as the relative difference between the median equivalized disposable income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold itself (expressed as a percentage of the at-risk-of-poverty threshold).

## Usage

```
rmpg(
  inc,
  weights = NULL,
  sort = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
  cluster = NULL,
  data = NULL,
  var = NULL,
  alpha = 0.05,
  na.rm = FALSE,
  ...
)
```

## Arguments

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>sort</code>	optional; either a numeric vector giving the personal IDs to be used as tie-breakers for sorting, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value. Note that the same (overall) threshold is used for all domains.
<code>design</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different strata for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>cluster</code>	optional and only used if <code>var</code> is not NULL; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional <code>data.frame</code> .
<code>var</code>	a character string specifying the type of variance estimation to be used, or NULL to omit variance estimation. See <a href="#">variance</a> for possible values.
<code>alpha</code>	numeric; if <code>var</code> is not NULL, this gives the significance level to be used for computing the confidence interval (i.e., the confidence level is $1 - \alpha$ ).
<code>na.rm</code>	a logical indicating whether missing values should be removed.
<code>...</code>	if <code>var</code> is not NULL, additional arguments to be passed to <a href="#">variance</a> .

## Details

The implementation strictly follows the Eurostat definition.

## Value

A list of class `"rmpg"` (which inherits from the class `"indicator"`) with the following components:

<code>value</code>	a numeric vector containing the overall value(s).
<code>valueByStratum</code>	a <code>data.frame</code> containing the values by domain, or NULL.

<code>varMethod</code>	a character string specifying the type of variance estimation used, or NULL if variance estimation was omitted.
<code>var</code>	a numeric vector containing the variance estimate(s), or NULL.
<code>varByStratum</code>	a <code>data.frame</code> containing the variance estimates by domain, or NULL.
<code>ci</code>	a numeric vector or matrix containing the lower and upper endpoints of the confidence interval(s), or NULL.
<code>ciByStratum</code>	a <code>data.frame</code> containing the lower and upper endpoints of the confidence intervals by domain, or NULL.
<code>alpha</code>	a numeric value giving the significance level used for computing the confidence interval(s) (i.e., the confidence level is $1-\alpha$ ), or NULL.
<code>years</code>	a numeric vector containing the different years of the survey.
<code>strata</code>	a character vector containing the different domains of the breakdown.
<code>threshold</code>	a numeric vector containing the at-risk-of-poverty threshold(s).

### Author(s)

Andreas Alfons

### References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat, Luxembourg.

### See Also

[arpt](#), [variance](#)

### Examples

```
data(eusilc)

# overall value
rmpg("eqIncome", weights = "rb050", data = eusilc)

# values by region
rmpg("eqIncome", weights = "rb050",
     breakdown = "db040", data = eusilc)
```

ses

*Synthetic SES survey data***Description**

This data set is a subset of synthetically generated real Austrian SES (Structural Earnings Survey) data.

**Usage**

```
data(ses)
```

**Format**

A data frame with 115691 observations on the following 28 variables.

`location` geographical location with levels AT1 (eastern Austria), AT2 (southern Austria), and AT3 (western Austria).

`NACE1` economic branch given in NACE (C - O) 1-digit classification.

`size` employment size range in 5 categories.

`economicFinanc` form of economic and financial control (levels A = public and financial control, B = private control).

`payAgreement` collective bargaining agreement with levels A = national level pay agreement or interconfederal agreement, B = industry agreement, C = agreement of individual industries in individual regions, D = enterprise or single employer agreement, E = agreement applying only to workers in the local unit, F = any other type of agreement, N = no collective agreement exists

`IDunit` ID for place of employment.

`sex` gender with levels female and male.

`age` age in age classes.

`education` highest education.

`occupation` occupation with levels 11 = Legislators and seniors officials, 12 = Corporate managers, 13 = Managers of small enterprises, 21 = Physical, mathematical and engineering science professionals, 22 = Life science and health professionals, 23 = Teaching professionals, 24 = Other professionals, 31 = Physical and engineering science associate professionals, 32 = Life science and health associate professionals, 33 = Teaching associate professionals, 34 = Other associate professionals, 41 = Office clerks, 42 = Customer services clerks, 51 = Personal and protective services workers, 52 = Models, salespersons and demonstrators, 61 = Skilled agricultural and fishery workers, 71 = Extraction and building trades workers, 72 = Metal, machinery and related trades workers, 73 = Precision, handicraft, craft printing and related trades workers, 74 = Other craft and related trades workers, 81 = Stationary plant and related operators, 82 = Machine operators and assemblers, 83 = Drivers and mobile plant operators, 91 = Sales and services elementary occupations, 92 = Agricultural, fishery and related labourers, 93 = Labourers in mining, construction, manufacturing and transport

contract type of contract. Levels A = indefinite duration, employment contract, B = temporary fixed duration C = apprentice.

fullPart full-time working time (FT) or part-time employee (PT).

lengthService The total length of service in the enterprises in the reference month is based on the number of completed years of service.

weeks the number of weeks in the reference year to which the gross annual earnings relate is mentioned. That is the employee's working time actually paid during the year and should correspond to the actual gross annual earnings.

hoursPaid the number of hours paid in the reference month which means these hours actually paid including all normal and overtime hours worked and remunerated by the employee during the month.

overtimeHours the number of overtime hours paid in the reference month. Overtime hours are those worked in addition to those of the normal working month.

shareNormalHours the share of a full timer's normal hours. The hours contractually worked of a part-time employee are expressed as percentages of the number of normal hours worked by a full-time employee in the local unit.

holiday the annual days of holiday leave (in full days).

notPaid examples of annual bonuses and allowances are Christmas and holiday bonuses, 13th and 14th month payments and productivity bonuses, hence any periodic, irregular and exceptional bonuses and other payments that do not feature every pay period. Besides the main difference between annual earnings and monthly earnings is the inclusion of payments that do not regularly occur in each pay period.

earningsOvertime earnings related to overtime.

paymentsShiftWork These special payments for shift work are premium payments during the reference month for shift work, night work or weekend work where they are not treated as overtime.

earningsMonth the gross earnings in the reference month covers remuneration in cash paid during the reference month before any tax deductions and social security deductions and social security contributions payable by wage earners and retained by the employer.

earnings gross annual earnings in the reference year.

earningsHour hourly earnings, being the quotient of monthly earnings and the number of hours paid in the reference month.

weightsEmployers sampling weights in the first stage at employer level.

weightsEmployees sampling weights corresponding to the second stage at employee level.

weights the final sampling weights, which is the product of weightsEmployers and weightsEmployees.

## Details

The Structural Earnings Survey (SES) is conducted in almost all European Countries, and the most important figures are reported to Eurostat. SES is a complex survey of enterprises and establishments with more than 10 employees, NACE C-O, including a large sample of employees. In many countries, a two-stage design is used where in the first stage a stratified sample of enterprises and establishments on NACE 1-digit level, NUTS 1 and employment size range is used, and large enterprises have higher inclusion probabilities. In stage 2, systematic sampling is applied in each enterprise using unequal inclusion probabilities regarding employment size range categories.

The data set in the package consists of enterprise and employees data from 500 places of work. Note that this is a subset of synthetic data set that is simulated from the original Austrian SES data.

### Author(s)

Matthias Templ, Karoline Geissler

### Source

This is a synthetic data set based on Austrian SES data from 2006.

### References

- A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)
- T. Geissberger (2009) Verdienststrukturerhebung 2006, Struktur und Verteilung der Verdienste in Oesterreich, Statistik Austria, ISBN 978-3-902587-97-8.
- M. Templ (2012) Comparison of perturbation methods based on pre-defined quality indicators, *UNECE Work Session on Statistical Data Editing*, Tarragona, Spain.

### Examples

```
data(ses)
summary(ses)
```

---

shrinkOut

*Shrink outliers in the Pareto model*


---

### Description

Shrink observations that are flagged as outliers in a Pareto model for the upper tail of the distribution to the theoretical quantile used for outlier detection.

### Usage

```
shrinkOut(x, ...)

## S3 method for class 'paretoTail'
shrinkOut(x, ...)
```

### Arguments

- x** an object of class "paretoTail" (see [paretoTail](#)).
- ...** additional arguments to be passed down (currently ignored as there are no additional arguments in the only method implemented).

**Value**

A numeric vector consisting mostly of the original values, but with outlying observations in the upper tail shrunk to the corresponding theoretical quantile of the fitted Pareto distribution.

**Author(s)**

Andreas Alfons

**References**

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

**See Also**

[paretoTail](#), [reweightOut](#), [replaceOut](#), [replaceTail](#)

**Examples**

```
data(eusilc)

## gini coefficient without Pareto tail modeling
gini("eqIncome", weights = "rb050", data = eusilc)

## gini coefficient with Pareto tail modeling
# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090,
  groups = eusilc$db030)
# estimate shape parameter
fit <- paretoTail(eusilc$eqIncome, k = ts$k,
  w = eusilc$db090, groups = eusilc$db030)
# shrink outliers
eqIncome <- shrinkOut(fit)
gini(eqIncome, weights = eusilc$rb050)
```

---

thetaHill

*Hill estimator*


---

**Description**

The Hill estimator uses the maximum likelihood principle to estimate the shape parameter of a Pareto distribution.

**Usage**

```
thetaHill(x, k = NULL, x0 = NULL, w = NULL)
```

**Arguments**

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.
w	an optional numeric vector giving sample weights.

**Details**

The arguments  $k$  and  $x_0$  of course correspond with each other. If  $k$  is supplied, the threshold  $x_0$  is estimated with the  $n - k$  largest value in  $x$ , where  $n$  is the number of observations. On the other hand, if the threshold  $x_0$  is supplied,  $k$  is given by the number of observations in  $x$  larger than  $x_0$ . Therefore, either  $k$  or  $x_0$  needs to be supplied. If both are supplied, only  $k$  is used (mainly for back compatibility).

**Value**

The estimated shape parameter.

**Note**

The arguments  $x_0$  for the threshold (scale parameter) of the Pareto distribution and  $w$  for sample weights were introduced in version 0.2.

**Author(s)**

Andreas Alfons and Josef Holzer

**References**

Hill, B.M. (1975) A simple general approach to inference about the tail of a distribution. *The Annals of Statistics*, **3**(5), 1163–1174.

**See Also**

[paretoTail](#), [fitPareto](#), [thetaPDC](#), [thetaWML](#), [thetaISE](#), [minAMSE](#)

**Examples**

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaHill(eusilc$eqIncome, k = ts$k, w = eusilc$db090)
```



```
# using threshold
thetaHill(eusilc$eqIncome, x0 = ts$x0, w = eusilc$db090)
```

---

thetaISE	<i>Integrated squared error (ISE) estimator</i>
----------	-------------------------------------------------

---

### Description

The integrated squared error (ISE) estimator estimates the shape parameter of a Pareto distribution based on the relative excesses of observations above a certain threshold.

### Usage

```
thetaISE(x, k = NULL, x0 = NULL, w = NULL, ...)
```

### Arguments

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.
w	an optional numeric vector giving sample weights.
...	additional arguments to be passed to <a href="#">optimize</a> (see “Details”).

### Details

The arguments `k` and `x0` of course correspond with each other. If `k` is supplied, the threshold `x0` is estimated with the  $n - k$  largest value in `x`, where  $n$  is the number of observations. On the other hand, if the threshold `x0` is supplied, `k` is given by the number of observations in `x` larger than `x0`. Therefore, either `k` or `x0` needs to be supplied. If both are supplied, only `k` is used (mainly for back compatibility).

The ISE estimator minimizes the integrated squared error (ISE) criterion with a complete density model. The minimization is carried out using [nlm](#). By default, the starting value is obtained the Hill estimator (see [thetaHill](#)). [optimize](#).

### Value

The estimated shape parameter.

### Note

The arguments `x0` for the threshold (scale parameter) of the Pareto distribution and `w` for sample weights were introduced in version 0.2.

**Author(s)**

Andreas Alfons and Josef Holzer

**References**

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.

Vandewalle, B., Beirlant, J., Christmann, A., and Hubert, M. (2007) A robust estimator for the tail index of Pareto-type distributions. *Computational Statistics & Data Analysis*, **51**(12), 6252–6268.

**See Also**

[paretoTail](#), [fitPareto](#), [thetaPDC](#), [thetaHill](#)

**Examples**

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaISE(eusilc$eqIncome, k = ts$k, w = eusilc$db090)

# using threshold
thetaISE(eusilc$eqIncome, x0 = ts$x0, w = eusilc$db090)
```

---

thetaLS

*Least squares (LS) estimator*

---

**Description**

Estimate the shape parameter of a Pareto distribution using a least squares (LS) approach.

**Usage**

```
thetaLS(x, k = NULL, x0 = NULL)
```

**Arguments**

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.

**Details**

The arguments  $k$  and  $x_0$  of course correspond with each other. If  $k$  is supplied, the threshold  $x_0$  is estimated with the  $n - k$  largest value in  $x$ , where  $n$  is the number of observations. On the other hand, if the threshold  $x_0$  is supplied,  $k$  is given by the number of observations in  $x$  larger than  $x_0$ . Therefore, either  $k$  or  $x_0$  needs to be supplied. If both are supplied, only  $k$  is used (mainly for back compatibility).

**Value**

The estimated shape parameter.

**Note**

The argument  $x_0$  for the threshold (scale parameter) of the Pareto distribution was introduced in version 0.2.

**Author(s)**

Andreas Alfons and Josef Holzer

**References**

- Brazauskas, V. and Serfling, R. (2000) Robust estimation of tail parameters for two-parameter Pareto and exponential models via generalized quantile statistics. *Extremes*, **3**(3), 231–249.
- Brazauskas, V. and Serfling, R. (2000) Robust and efficient estimation of the tail index of a single-parameter Pareto distribution. *North American Actuarial Journal*, **4**(4), 12–27.

**See Also**

[paretoTail](#), [fitPareto](#)

**Examples**

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
```

```
thetaLS(eusilc$eqIncome, k = ts$k)

# using threshold
thetaLS(eusilc$eqIncome, x0 = ts$x0)
```

---

thetaMoment

*Moment estimator*


---

## Description

Estimate the shape parameter of a Pareto distribution based on moments.

## Usage

```
thetaMoment(x, k = NULL, x0 = NULL)
```

## Arguments

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.

## Details

The arguments  $k$  and  $x_0$  of course correspond with each other. If  $k$  is supplied, the threshold  $x_0$  is estimated with the  $n - k$  largest value in  $x$ , where  $n$  is the number of observations. On the other hand, if the threshold  $x_0$  is supplied,  $k$  is given by the number of observations in  $x$  larger than  $x_0$ . Therefore, either  $k$  or  $x_0$  needs to be supplied. If both are supplied, only  $k$  is used (mainly for back compatibility).

## Value

The estimated shape parameter.

## Note

The argument  $x_0$  for the threshold (scale parameter) of the Pareto distribution was introduced in version 0.2.

## Author(s)

Andreas Alfons and Josef Holzer

## References

Dekkers, A.L.M., Einmahl, J.H.J. and de Haan, L. (1989) A moment estimator for the index of an extreme-value distribution. *The Annals of Statistics*, **17**(4), 1833–1855.

**See Also**[paretoTail](#), [fitPareto](#)**Examples**

```

data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaMoment(eusilc$eqIncome, k = ts$k)

# using threshold
thetaMoment(eusilc$eqIncome, x0 = ts$x0)

```

thetaPDC

*Partial density component (PDC) estimator***Description**

The partial density component (PDC) estimator estimates the shape parameter of a Pareto distribution based on the relative excesses of observations above a certain threshold.

**Usage**

```
thetaPDC(x, k = NULL, x0 = NULL, w = NULL, ...)
```

**Arguments**

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.
w	an optional numeric vector giving sample weights.
...	additional arguments to be passed to <a href="#">optimize</a> (see “Details”).

## Details

The arguments  $k$  and  $x_0$  of course correspond with each other. If  $k$  is supplied, the threshold  $x_0$  is estimated with the  $n - k$  largest value in  $x$ , where  $n$  is the number of observations. On the other hand, if the threshold  $x_0$  is supplied,  $k$  is given by the number of observations in  $x$  larger than  $x_0$ . Therefore, either  $k$  or  $x_0$  needs to be supplied. If both are supplied, only  $k$  is used (mainly for back compatibility).

The PDC estimator minimizes the integrated squared error (ISE) criterion with an incomplete density mixture model. The minimization is carried out using `nlm`. By default, the starting value is obtained with the Hill estimator (see `thetaHill`). `optimize`.

## Value

The estimated shape parameter.

## Note

The arguments  $x_0$  for the threshold (scale parameter) of the Pareto distribution and  $w$  for sample weights were introduced in version 0.2.

## Author(s)

Andreas Alfons and Josef Holzer

## References

- A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:10.18637/jss.v054.i15
- A. Alfons, M. Templ, P. Filzmoser (2013) Robust estimation of economic indicators from survey samples based on Pareto tail modeling. *Journal of the Royal Statistical Society, Series C*, **62**(2), 271–286.
- Vandewalle, B., Beirlant, J., Christmann, A., and Hubert, M. (2007) A robust estimator for the tail index of Pareto-type distributions. *Computational Statistics & Data Analysis*, **51**(12), 6252–6268.

## See Also

`paretoTail`, `fitPareto`, `thetaISE`, `thetaHill`

## Examples

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaPDC(eusilc$eqIncome, k = ts$k, w = eusilc$db090)
```

```
# using threshold
thetaPDC(eusilc$eqIncome, x0 = ts$x0, w = eusilc$db090)
```

---

thetaQQ	<i>QQ-estimator</i>
---------	---------------------

---

## Description

Estimate the shape parameter of a Pareto distribution using a quantile-quantile approach.

## Usage

```
thetaQQ(x, k = NULL, x0 = NULL)
```

## Arguments

x	a numeric vector.
k	the number of observations in the upper tail to which the Pareto distribution is fitted.
x0	the threshold (scale parameter) above which the Pareto distribution is fitted.

## Details

The arguments  $k$  and  $x_0$  of course correspond with each other. If  $k$  is supplied, the threshold  $x_0$  is estimated with the  $n - k$  largest value in  $x$ , where  $n$  is the number of observations. On the other hand, if the threshold  $x_0$  is supplied,  $k$  is given by the number of observations in  $x$  larger than  $x_0$ . Therefore, either  $k$  or  $x_0$  needs to be supplied. If both are supplied, only  $k$  is used (mainly for back compatibility).

## Value

The estimated shape parameter.

## Note

The argument  $x_0$  for the threshold (scale parameter) of the Pareto distribution was introduced in version 0.2.

## Author(s)

Andreas Alfons and Josef Holzer

## References

Kratz, M.F. and Resnick, S.I. (1996) The QQ-estimator and heavy tails. *Stochastic Models*, **12**(4), 699–724.

See Also

[paretoTail](#), [fitPareto](#)

Examples

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaQQ(eusilc$eqIncome, k = ts$k)

# using threshold
thetaQQ(eusilc$eqIncome, x0 = ts$x0)
```

---

thetaTM	<i>Trimmed mean estimator</i>
---------	-------------------------------

---

Description

Estimate the shape parameter of a Pareto distribution using a trimmed mean approach.

Usage

```
thetaTM(x, k = NULL, x0 = NULL, beta = 0.05)
```

Arguments

- x                    a numeric vector.
- k                    the number of observations in the upper tail to which the Pareto distribution is fitted.
- x0                   the threshold (scale parameter) above which the Pareto distribution is fitted.
- beta                  A numeric vector of length two giving the trimming proportions for the lower and upper end of the tail, respectively. If a single numeric value is supplied, it is recycled.

Details

The arguments *k* and *x0* of course correspond with each other. If *k* is supplied, the threshold *x0* is estimated with the  $n - k$  largest value in *x*, where *n* is the number of observations. On the other hand, if the threshold *x0* is supplied, *k* is given by the number of observations in *x* larger than *x0*. Therefore, either *k* or *x0* needs to be supplied. If both are supplied, only *k* is used (mainly for back compatibility).



**Value**

The estimated shape parameter.

**Note**

The argument `x0` for the threshold (scale parameter) of the Pareto distribution was introduced in version 0.2.

**Author(s)**

Andreas Alfons and Josef Holzer

**References**

Brazauskas, V. and Serfling, R. (2000) Robust estimation of tail parameters for two-parameter Pareto and exponential models via generalized quantile statistics. *Extremes*, **3**(3), 231–249.

Brazauskas, V. and Serfling, R. (2000) Robust and efficient estimation of the tail index of a single-parameter Pareto distribution. *North American Actuarial Journal*, **4**(4), 12–27.

**See Also**

[paretoTail](#), [fitPareto](#)

**Examples**

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaTM(eusilc$eqIncome, k = ts$k)

# using threshold
thetaTM(eusilc$eqIncome, x0 = ts$x0)
```

---

thetaWML

*Weighted maximum likelihood estimator*


---

**Description**

Estimate the shape parameter of a Pareto distribution using a weighted maximum likelihood approach.

**Usage**

```
thetaWML(
  x,
  k = NULL,
  x0 = NULL,
  weight = c("residuals", "probability"),
  const,
  bias = TRUE,
  ...
)
```

**Arguments**

<code>x</code>	a numeric vector.
<code>k</code>	the number of observations in the upper tail to which the Pareto distribution is fitted.
<code>x0</code>	the threshold (scale parameter) above which the Pareto distribution is fitted.
<code>weight</code>	a character string specifying the weight function to be used. If "residuals" (the default), the weight function is based on standardized residuals. If "probability", probability based weighting is used. Partial string matching allows these names to be abbreviated.
<code>const</code>	Tuning constant(s) that control the robustness of the method. If <code>weight="residuals"</code> , a single numeric value is required (the default is 2.5). If <code>weight="probability"</code> , a numeric vector of length two must be supplied (a single numeric value is recycled; the default is 0.005 for both tuning parameters). See the references for more details.
<code>bias</code>	a logical indicating whether bias correction should be applied.
<code>...</code>	additional arguments to be passed to <a href="#">uniroot</a> (see "Details").

**Details**

The arguments `k` and `x0` of course correspond with each other. If `k` is supplied, the threshold `x0` is estimated with the  $n - k$  largest value in `x`, where  $n$  is the number of observations. On the other hand, if the threshold `x0` is supplied, `k` is given by the number of observations in `x` larger than `x0`. Therefore, either `k` or `x0` needs to be supplied. If both are supplied, only `k` is used (mainly for back compatibility).

The weighted maximum likelihood estimator belongs to the class of M-estimators. In order to obtain the estimate, the root of a certain function needs to be found, which is implemented using [uniroot](#).

**Value**

The estimated shape parameter.

**Note**

The argument `x0` for the threshold (scale parameter) of the Pareto distribution was introduced in version 0.2.

**Author(s)**

Andreas Alfons and Josef Holzer

**References**

Dupuis, D.J. and Morgenthaler, S. (2002) Robust weighted likelihood estimators with an application to bivariate extreme value problems. *The Canadian Journal of Statistics*, **30**(1), 17–36.

Dupuis, D.J. and Victoria-Feser, M.-P. (2006) A robust prediction error criterion for Pareto modelling of upper tails. *The Canadian Journal of Statistics*, **34**(4), 639–658.

**See Also**

[paretoTail](#), [fitPareto](#)

**Examples**

```
data(eusilc)
# equivalized disposable income is equal for each household
# member, therefore only one household member is taken
eusilc <- eusilc[!duplicated(eusilc$db030),]

# estimate threshold
ts <- paretoScale(eusilc$eqIncome, w = eusilc$db090)

# using number of observations in tail
thetaWML(eusilc$eqIncome, k = ts$k)

# using threshold
thetaWML(eusilc$eqIncome, x0 = ts$x0)
```

---

utils

*Utility functions for indicators on social exclusion and poverty*


---

**Description**

Test for class, print and take subsets of indicators on social exclusion and poverty.

**Usage**

```
is.indicator(x)
```

```
is.arpr(x)
```

```
is.qsr(x)
```

```
is.rmpg(x)
```

```

is.gini(x)

is.prop(x)

is.gpg(x)

## S3 method for class 'indicator'
print(x, ...)

## S3 method for class 'arpr'
print(x, ...)

## S3 method for class 'rmpg'
print(x, ...)

## S3 method for class 'indicator'
subset(x, years = NULL, strata = NULL, ...)

## S3 method for class 'arpr'
subset(x, years = NULL, strata = NULL, ...)

## S3 method for class 'rmpg'
subset(x, years = NULL, strata = NULL, ...)

```

### Arguments

<code>x</code>	for <code>is.xyz</code> , any object to be tested. The <code>print</code> and <code>subset</code> methods are called by the generic functions if an object of the respective class is supplied.
<code>...</code>	additional arguments to be passed to and from methods.
<code>years</code>	an optional numeric vector giving the years to be extracted.
<code>strata</code>	an optional vector giving the domains of the breakdown to be extracted.

### Value

`is.indicator` returns TRUE if `x` inherits from class "indicator" and FALSE otherwise.  
`is.arpr` returns TRUE if `x` inherits from class "arpr" and FALSE otherwise.  
`is.qsr` returns TRUE if `x` inherits from class "qsr" and FALSE otherwise.  
`is.rmpg` returns TRUE if `x` inherits from class "rmpg" and FALSE otherwise.  
`is.gini` returns TRUE if `x` inherits from class "gini" and FALSE otherwise.  
`is.gini` returns TRUE if `x` inherits from class "gini" and FALSE otherwise.  
`print.indicator`, `print.arpr` and `print.rmpg` return `x` invisibly.  
`subset.indicator`, `subset.arpr` and `subset.rmpg` return a subset of `x` of the same class.

### References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

**See Also**

[arpr](#), [qsr](#), [rmpg](#), [gini](#), [gpg](#)

**Examples**

```
data(eusilc)

# at-risk-of-poverty rate
a <- arpr("eqIncome", weights = "rb050",
          breakdown = "db040", data = eusilc)
print(a)
is.arpr(a)
is.indicator(a)
subset(a, strata = c("Lower Austria", "Vienna"))

# quintile share ratio
q <- qsr("eqIncome", weights = "rb050",
          breakdown = "db040", data = eusilc)
print(q)
is.qsr(q)
is.indicator(q)
subset(q, strata = c("Lower Austria", "Vienna"))

# relative median at-risk-of-poverty gap
r <- rmpg("eqIncome", weights = "rb050",
           breakdown = "db040", data = eusilc)
print(r)
is.rmpg(r)
is.indicator(r)
subset(r, strata = c("Lower Austria", "Vienna"))

# Gini coefficient
g <- gini("eqIncome", weights = "rb050",
           breakdown = "db040", data = eusilc)
print(g)
is.gini(g)
is.indicator(g)
subset(g, strata = c("Lower Austria", "Vienna"))
```

---

variance

*Variance and confidence intervals of indicators on social exclusion and poverty*

---

**Description**

Compute variance and confidence interval estimates of indicators on social exclusion and poverty.

**Usage**

```
variance(
  inc,
  weights = NULL,
  years = NULL,
  breakdown = NULL,
  design = NULL,
  cluster = NULL,
  data = NULL,
  indicator,
  alpha = 0.05,
  na.rm = FALSE,
  type = "bootstrap",
  gender = NULL,
  method = NULL,
  ...
)
```

**Arguments**

<code>inc</code>	either a numeric vector giving the equivalized disposable income, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>weights</code>	optional; either a numeric vector giving the personal sample weights, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>years</code>	optional; either a numeric vector giving the different years of the survey, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, values are computed for each year.
<code>breakdown</code>	optional; either a numeric vector giving different domains, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data. If supplied, the values for each domain are computed in addition to the overall value.
<code>design</code>	optional; either an integer vector or factor giving different strata for stratified sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>cluster</code>	optional; either an integer vector or factor giving different clusters for cluster sampling designs, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
<code>data</code>	an optional <code>data.frame</code> .
<code>indicator</code>	an object inheriting from the class "indicator" that contains the point estimates of the indicator (see <a href="#">arpr</a> , <a href="#">qsr</a> , <a href="#">rmpg</a> or <a href="#">gini</a> ).
<code>alpha</code>	a numeric value giving the significance level to be used for computing the confidence interval(s) (i.e., the confidence level is $1-\alpha$ ), or NULL.
<code>na.rm</code>	a logical indicating whether missing values should be removed.

type	a character string specifying the type of variance estimation to be used. Currently, only "bootstrap" is implemented for variance estimation based on bootstrap resampling (see <a href="#">bootVar</a> ).
gender	either a numeric vector giving the gender, or (if data is not NULL) a character string, an integer or a logical vector specifying the corresponding column of data.
method	a character string specifying the method to be used (only for <a href="#">gpg</a> ). Possible values are "mean" for the mean, and "median" for the median. If weights are provided, the weighted mean or weighted median is estimated.
...	additional arguments to be passed to <a href="#">bootVar</a> .

### Details

This is a wrapper function for computing variance and confidence interval estimates of indicators on social exclusion and poverty.

### Value

An object of the same class as `indicator` is returned. See [arpr](#), [qsr](#), [rmpg](#) or [gini](#) for details on the components.

### Author(s)

Andreas Alfons

### References

A. Alfons and M. Templ (2013) Estimation of Social Exclusion Indicators from Complex Surveys: The R Package **laeken**. *Journal of Statistical Software*, **54**(15), 1–25. doi:[10.18637/jss.v054.i15](https://doi.org/10.18637/jss.v054.i15)

### See Also

[bootVar](#), [arpr](#), [qsr](#), [rmpg](#), [gini](#)

### Examples

```
data(eusilc)
a <- arpr("eqIncome", weights = "rb050", data = eusilc)

## naive bootstrap
variance("eqIncome", weights = "rb050", design = "db040",
  data = eusilc, indicator = a, R = 50,
  bootType = "naive", seed = 123)

## bootstrap with calibration
variance("eqIncome", weights = "rb050", design = "db040",
  data = eusilc, indicator = a, R = 50,
  X = calibVars(eusilc$db040), seed = 123)
```

---

weightedMean	<i>Weighted mean</i>
--------------	----------------------

---

**Description**

Compute the weighted mean.

**Usage**

```
weightedMean(x, weights = NULL, na.rm = FALSE)
```

**Arguments**

x	a numeric vector.
weights	an optional numeric vector giving the sample weights.
na.rm	a logical indicating whether missing values in x should be omitted.

**Details**

This is a simple wrapper function calling [weighted.mean](#) if sample weights are supplied and [mean](#) otherwise.

**Value**

The weighted mean of values in x is returned.

**Author(s)**

Andreas Alfons

**See Also**

[incMean](#)

**Examples**

```
data(eusilc)
weightedMean(eusilc$eqIncome, eusilc$rb050)
```



---

weightedMedian	<i>Weighted median</i>
----------------	------------------------

---

**Description**

Compute the weighted median (Eurostat definition).

**Usage**

```
weightedMedian(x, weights = NULL, sorted = FALSE, na.rm = FALSE)
```

**Arguments**

x	a numeric vector.
weights	an optional numeric vector giving the sample weights.
sorted	a logical indicating whether the observations in x are already sorted.
na.rm	a logical indicating whether missing values in x should be omitted.

**Details**

The implementation strictly follows the Eurostat definition.

**Value**

The weighted median of values in x is returned.

**Author(s)**

Andreas Alfons and Matthias Templ

**References**

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

**See Also**

[arpt](#), [incMedian](#), [weightedQuantile](#)

**Examples**

```
data(eusilc)
weightedMedian(eusilc$eqIncome, eusilc$rb050)
```

---

weightedQuantile	<i>Weighted quantiles</i>
------------------	---------------------------

---

## Description

Compute weighted quantiles (Eurostat definition).

## Usage

```
weightedQuantile(
  x,
  weights = NULL,
  probs = seq(0, 1, 0.25),
  sorted = FALSE,
  na.rm = FALSE
)
```

## Arguments

<code>x</code>	a numeric vector.
<code>weights</code>	an optional numeric vector giving the sample weights.
<code>probs</code>	numeric vector of probabilities with values in $[0, 1]$ .
<code>sorted</code>	a logical indicating whether the observations in <code>x</code> are already sorted.
<code>na.rm</code>	a logical indicating whether missing values in <code>x</code> should be omitted.

## Details

The implementation strictly follows the Eurostat definition.

## Value

A numeric vector containing the weighted quantiles of values in `x` at probabilities `probs` is returned. Unlike [quantile](#), this returns an unnamed vector.

## Author(s)

Andreas Alfons and Matthias Templ

## References

Working group on Statistics on Income and Living Conditions (2004) Common cross-sectional EU indicators based on EU-SILC; the gender pay gap. *EU-SILC 131-rev/04*, Eurostat.

## See Also

[incQuintile](#), [weightedMedian](#)

**Examples**

```
data(eusilc)
weightedQuantile(eusilc$eqIncome, eusilc$rb050)
```

# Index

- \* **datasets**
  - eusilc, 16
  - ses, 52
- \* **hplot**
  - meanExcessPlot, 29
  - paretoQPlot, 33
  - plot.paretoTail, 39
- \* **manip**
  - fitPareto, 18
  - minAMSE, 31
  - paretoScale, 35
  - paretoTail, 36
  - replaceTail, 46
  - reweightOut, 47
  - shrinkOut, 54
  - thetaHill, 55
  - thetaISE, 57
  - thetaLS, 58
  - thetaMoment, 60
  - thetaPDC, 61
  - thetaQQ, 63
  - thetaTM, 64
  - thetaWML, 65
- \* **package**
  - laeken-package, 2
- \* **survey**
  - arpr, 4
  - arpt, 7
  - bootVar, 8
  - calibVars, 11
  - calibWeights, 12
  - eqInc, 14
  - eqSS, 15
  - gini, 20
  - gpg, 23
  - incMean, 25
  - incMedian, 26
  - incQuintile, 28
  - prop, 40
  - qsr, 43
  - rmpg, 49
  - utils, 67
  - variance, 69
  - weightedMean, 72
  - weightedMedian, 73
  - weightedQuantile, 74
- arpr, 4, 8–10, 69–71
- arpt, 5, 6, 7, 27, 51, 73
- boot, 9
- boot.ci, 10
- bootVar, 8, 13, 71
- calibVars, 11, 12, 13, 48
- calibWeights, 10, 11, 12
- eqInc, 14, 16
- eqSS, 14, 15, 15
- eusilc, 16
- fitPareto, 18, 38, 56, 58, 59, 61, 62, 64, 65, 67
- gini, 9, 10, 20, 25, 46, 69–71
- ginv, 13
- gpg, 10, 23, 69, 71
- identify, 30, 34
- incMean, 25, 72
- incMedian, 8, 26, 73
- incQuintile, 28, 46, 74
- is.arpr (utils), 67
- is.gini (utils), 67
- is.gpg (utils), 67
- is.indicator (utils), 67
- is.prop (utils), 67
- is.qsr (utils), 67
- is.rmpg (utils), 67

- laeken (laeken-package), 2
- laeken-package, 2
- mean, 72
- meanExcessPlot, 29, 34, 36
- minAMSE, 30, 31, 34, 36, 56
- nlm, 57, 62
- optimize, 57, 61, 62
- paretoQPlot, 30, 33, 36, 40
- paretoScale, 30, 34, 35
- paretoTail, 20, 30, 34, 36, 39, 40, 46–48, 54–56, 58, 59, 61, 62, 64, 65, 67
- plot.default, 30, 33
- plot.paretoTail, 39
- points, 30, 33
- print.arpr (utils), 67
- print.default, 31
- print.indicator (utils), 67
- print.minAMSE (minAMSE), 31
- print.paretoScale (paretoScale), 35
- print.paretoTail (paretoTail), 36
- print.rmpg (utils), 67
- prop, 40
- qsr, 9, 10, 22, 25, 29, 43, 69–71
- quantile, 74
- replaceOut, 37, 38, 48, 55
- replaceOut (replaceTail), 46
- replaceTail, 20, 38, 46, 48, 55
- reweightOut, 37, 38, 47, 47, 55
- rmpg, 9, 10, 49, 69–71
- ses, 52
- shrinkOut, 38, 47, 48, 54
- subset.arpr (utils), 67
- subset.indicator (utils), 67
- subset.rmpg (utils), 67
- thetaHill, 20, 32, 38, 55, 57, 58, 62
- thetaISE, 20, 38, 56, 57, 62
- thetaLS, 20, 38, 58
- thetaMoment, 20, 38, 60
- thetaPDC, 19, 20, 37, 38, 56, 58, 61
- thetaQQ, 20, 38, 63
- thetaTM, 20, 38, 64
- thetaWML, 20, 38, 56, 65
- uniroot, 66
- utils, 67
- variance, 5, 6, 10, 21, 22, 24, 25, 41, 42, 45, 46, 50, 51, 69
- weighted.mean, 72
- weightedMean, 26, 72
- weightedMedian, 8, 27, 73, 74
- weightedQuantile, 29, 73, 74