
Colombia has one of the largest income gaps in Latin America. This high level of income inequality is the result of several territorial heterogeneities, which contribute to the inequality in different degrees. In this paper, Colombia’s income inequality is analyzed by focusing on differences between regions; it is shown how every region has different explanations of inequality by sources of income. For this research, micro-data from household surveys were used, four inequality indicators were calculated, and some decompositions of the Theil index and Gini coefficient were estimated.

Keywords: Income inequality, Theil index, Gini coefficient, decomposition of income inequality, Colombia.

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