Data Visualization From The Economist

Idea In Short

Study how The Economist visualizes data. Their graphic detail column demonstrates that clarity, context and restraint outperform flashy design every time.

The Power of Simple Charts

A three-hour session with Master of Business Administration [MBA] students covered logical structuring, storytelling, storyboarding and presentations. The group went light on data visualization, so this collection fills the gap. These examples come from The Economist's graphic detail column, which consistently produces informative, simple charts that communicate complex ideas with minimal clutter. 1 Professionals who study these graphs learn how to turn raw data into compelling visual narratives.

The Economist's approach rests on a few principles. Show the data directly. Reduce clutter. Provide context through comparisons and annotations. Use color purposefully, not decoratively. Start bar charts at zero. These rules seem obvious, yet most business decks violate them constantly. The result is charts that confuse rather than clarify. The Economist proves that restraint and precision beat ornamentation every time.

Wealth, Inequality and Taxation

The Economist visualized the creation of new millionaires over nine years. The United States and China generated the vast majority. Much of this growth traces to low interest rates and rising asset prices. If you have no balance sheet, you are left behind. The wealthiest 10 percent of the population holds 82 percent of the wealth. The bottom 50 percent accounts for less than one percent. Several politicians proposed wealth taxes, including a 2 percent levy on wealth above 50 million dollars and 3 percent above one billion.

The Gini coefficient, a standard measure of income inequality, ranges from zero meaning

perfect equality to 100 meaning one person gets everything. 2 The Economist compared each country's Gini coefficient before and after taxes. America's tax system is fairly progressive, doing roughly as much to reduce inequality as Canada's or Sweden's. France spends 57 percent of its gross domestic product [GDP] through government, while America's federal, state and local authorities spend just 35 percent. Pre-tax inequality is almost as high in France as in America, yet the two look very different after taxes. The visualization makes the comparison immediate and undeniable.

Social Policy and Human Impact

The Affordable Care Act mandated an expansion of Medicaid in the United States. The Supreme Court ruled that states could choose whether to opt in. Roughly 35 of 50 states have done so. Researchers showed that states expanding coverage saw eviction rates among renter households drop from 17 percent to 14 percent. When healthcare is covered, more money goes to rent and fewer families face eviction. Yet one-sixth of poor Americans still lack health coverage. The graph makes the policy impact visceral.

The Economist also visualized fossil fuel subsidies. Governments subsidize fossil fuels to the tune of 427 billion dollars a year. Venezuela accounts for 20 billion, Iran for 69 billion and Egypt for 26 billion. The inefficiency is staggering. Transferring one dollar of gas subsidies in Ecuador costs the government 20 dollars. The chart transforms an abstract number into a clear story of waste. Simple bars, clear labels and a single comparison do all the work.

Economic Cycles and Recession Signals

America's economic expansion that began in June 2009 ran uninterrupted for over 120 months, the longest on record. Yet GDP per person inched up just 1.5 percent a year, compared with an average of 3.3 percent across the previous ten cycles. The graph reveals a troubling truth: the longest expansion was also one of the weakest. Duration and strength tell different stories.

The Sahm Rule offers a simple recession indicator. When the three-month average unemployment rate rises at least half a percentage point above its minimum from the previous 12 months, the economy is in recession. 3 This measure has correctly called every recession in America since 1970. The Economist's graph makes the rule intuitive: a single

line crossing a threshold tells you everything. No elaborate model, no dense table, just clarity.

Global Dynamics and Migration

Nearly a third of Latin Americans want to emigrate. Latin America's GDP has fallen for eight consecutive years amid economic mismanagement, corruption and violence. In Venezuela, inflation hit 2,700,000 percent annually. The average person lost 24 pounds due to hunger by 2018, and 13 percent of the population fled. The visualization pairs a map with bar charts to show both the desire to leave and the conditions driving it.

China's lending to poor countries is surging. China is the world's largest creditor, having loaned 700 billion dollars to emerging economies since 2000. This amount is more than twice the combined lending of the World Bank and the International Monetary Fund [IMF]. The 50 biggest recipients of Chinese credit owe debts to China worth about 17 percent of their GDP on average, up from 1 percent in 2005. The Economist's map makes the geographic concentration and scale immediately visible.

Technology and Social Change

America's social media addiction is getting worse. The internet is paid for by advertising, which optimizes for viewing time and frequency. Italy's transactions are 80 percent cash, while Norway's are 80 percent cashless. The percentage of global transactions that are cash fell from 89 percent in 2013 to 77 percent. African swine fever threatens 200 million pigs in China, which is home to half of all pigs on the planet. Rabobank estimates that far more pigs could be lost than official figures suggest.

Young people are leaving Facebook. They do not want to be on the same network as their parents, and Facebook focuses on news and messages rather than images and stories. Instagram accounts for an estimated 23 percent of Facebook's 68 billion dollar turnover. The firm stopped spammers from creating 2 billion fake profiles in the first quarter of 2019 alone. The graph showing TikTok user growth alongside Facebook's decline tells a story of generational shift without a single word of explanation.

Happiness and the Limits of Wealth

People tend to get happier after age 40, forming a U-shaped curve of self-reported happiness over a lifetime. Young people are happy, then middle age brings stress, and happiness hits a nadir before improving. American women in their 70s are among the happiest. People in the former Soviet Union get unhappier as they age. The graph reveals patterns that defy intuition and invite deeper inquiry.

Economic growth does not guarantee rising happiness. There is a correlation between wealth and happiness, particularly at extremes where poverty equals misery. Yet more money does not mean more happiness. The Gallup organization found that 43 of 125 countries saw happiness decline even as GDP rose. Much of this unhappiness may stem from the fear of missing out. Through social media, people see only the best versions of everyone they know, and that comparison erodes contentment. The visualization makes the paradox visible and memorable.

Lessons for Consultants

Every graph in this collection teaches a transferable lesson. Start with a clear question. Choose the simplest chart type that answers it. Strip everything that does not serve the message. Use comparisons to create insight. Label directly rather than relying on legends. Let color carry meaning, not decoration. These principles work in client decks, board presentations and executive summaries alike. The Economist practices them daily, and the results speak for themselves.

- 1The Economist's Graphic Detail Column
- 2What Is The Gini Coefficient?
- 3The Sahm Rule Recession Indicator

Summary

Great data visualization is simple, contextual and honest. The Economist's graphic detail column proves that restraint and clarity win over ornament. Copy the discipline, not the decoration.