

THE EQUALITY TRUST

The latest monthly round-up of research and news around pay & income inequality. Most of the information in this email was previously reported via our twitterfeed (@equalitytrust).

What would you do with an extra £78 million a day? It's a question most of us will never need to consider, but not so the country's super-rich. According to the Sunday Times Rich List, the wealth of the 1,000 richest people in Britain increased by over £28 billion last year. Our annual [Wealth Tracker](#), covered in the [Guardian](#) and the [Mirror \(twice\)](#), showed that the increase alone could cover a year's rent for 3 million families, pay 20 years' worth of grocery bills for all users of food banks, or pay the council tax bill for the whole of England. We also wrote for the [Independent](#) that wealth inequality is in fact increasing, challenging widespread press coverage which drew attention to the losses of a few, high-profile, billionaires.

The excesses of the Rich List came hot on the heels of the [Panama Papers scandal](#), an unprecedented leak of documents that lifted the lid on tax havens used by international elites to avoid paying their [fair share](#) of tax. It has sparked a new sense of urgency to close loopholes and demand transparency: Britain and its European allies have agreed to [automatic information sharing](#) on shell company ownership and overseas trusts, but something still urgently needs to be done to tackle avoidance via British dependencies.

The leak also led to wider discussion on the fairness of certain types of taxation on wealth, particularly inheritance tax. On BBC Radio 4's *You and Yours*, our Acting Director John Hood put things in perspective with the reminder that individuals can already pass on an enormous amount tax-free. We cannot hope to improve equality of opportunity if we scrap a levy that only the rich few will ever pay (listen [here](#): you can hear John at around 24 minutes in).

Such vast inequality splits our society, so it was worrying to see government proposals to [stop publishing data](#) on how the top 1 per cent pass on their assets.

Pay was another big issue in April, with news at both ends of the scale. The lowest-paid over-25s in the country saw the so-called 'National Living Wage' kick in: a welcome boost, but one which will be [wiped out](#) for many parents by cuts to Universal Credit. Meanwhile, pay packages for the supposed 'top dogs' [only keep growing](#), often even when their companies face [record losses](#). This proves the absurdity of arguments that executive pay is a reflection of talent and market forces. Moves in the right direction were made by [Co-operative](#) CEO Richard Pennycook, who asked for a large reduction in his pay and bonuses, and a pay rise for workers.

Finally, the much-anticipated documentary *The Divide* premiered this month and is already receiving [rave reviews](#). Make sure you go and see it, and spread the word by adding your own comments to the film review site [Rotten Tomatoes](#).

We also blogged on:

- [Universal Credit Cuts Will Wipe Out National Living Wage Pay Increases for Many Parents](#)
- [Tax Dodgers Want You to Pay \(So They Don't Have To...\)](#)
- [Powerful Human Stories: Review of The Divide documentary](#)
- [How Social Wealth Funds Can Reduce Inequality \(Stewart Lansley's Guest Blog\)](#)

LATEST LOCAL GROUP NEWS

An action-packed month of film screenings, factfiles and fairness commissions as well as activities around the upcoming local elections. You can [read all about it here](#). If you want to get involved, just contact Bill Kerry at bill.kerry@equalitytrust.org.uk.

KEY DEVELOPMENTS AND REPORTS

The [ONS](#) calculated that the UK's direct taxes reduce inequality, but the good work is undone by regressive indirect taxes.

The [Fabians](#) pointed out that the richest 20 per cent of earners will receive as much in benefits as the poorest by 2020, because of generous tax breaks.

Male graduates from the same university but poorer backgrounds earn £8,000 a year less than their richer counterparts, revealed the [IFS](#). For females the gap is £5,000.

More than a million people in the UK are living in destitution, found a shocking [JRF](#) study.

The [Trussell Trust](#) released figures showing food bank use is at a record high.

INEQUALITY IN THE NEWS

The [Panama Papers](#) leak revealed some of the tax havens used by elites to avoid paying tax.

The average FTSE100 chief executive gets a pay package of £5.6m, according to the [High Pay Centre](#). That's equivalent to over 200 years of the average worker's salary.

The [Sutton Trust](#) accused primary schools of 'social segregation' by rejecting poor kids in favour of those from richer backgrounds.

[Centre Forum](#) warned that the gap between disadvantaged pupils and their peers remains significant, while the [Social Market Foundation](#) revealed that poor pupils are twice as likely to have unqualified teachers.

BEST INEQUALITY READS

[Aditya Chakraborty](#) dug into the deeper problem of the super-rich hiding their money offshore: 'What the Panama Papers really depict is the corruption of our democracy'.

Read this fascinating extract on changing class from [Lynsey Hanley](#)'s new book. She describes it as 'like emigrating from one side of the world to the other'.

We rely on donations to keep our campaign going. Please support our work by [signing up as a regular supporter or by making a one off contribution](#). You can also support our work by forwarding this bulletin to people you know who might be interested. Thank you!