

The Equality Trust Wealth Tracker 2017

Wealth in Britain

In Britain today, the richest 1,000 people own more wealth than 40% of households, or 10.2 million families. In the last year alone the combined wealth of Britain's 1,000 richest people increased by £82.5 billion to a barely believable £658 billion.

This extraordinary level of inequality damages us all, and is emblematic of the failures of our political and economic institutions. As an extensive body of research continues to show, more unequal societies such as the UK suffer from poorer physical and mental health, lower life expectancy, higher rates of violent crime, poorer educational outcomes, and lower levels of trust. And there is evidence from the International Monetary Fund, World Bank and OECD that our extreme inequality could also damage our economy. The effects of inequality can be seen everywhere.

Our Wealth Tracker aims to demonstrate the scale of inequality by showing how the huge increase in wealth of the richest in society compares to the rest of us. Using recognisable household items and bills that many thousands of people struggle to afford, it highlights what the equivalent financial value of the Rich List's wealth might provide if it was used in a more equitable way.

As last year's EU referendum showed, there are deep divisions within our society, and these are widened by inequality. The social bonds that connect us have been severely weakened, and tribalism is rife, but this should not surprise us as this is a symptom of our extreme inequality. Vast material differences create huge social distances.

However, inequality is far from inevitable. From reappraising our regressive tax system; to allowing those on Universal Credit to keep more of the money they earn; to providing workers with a genuine voice on boards and remuneration committees – there are a range of measures to address it.

Over 80% of people believe the gap between rich and poor is too great, and everyone from the Pope to US Presidents, to billionaires like Bill Gates have warned of inequality's effects. If our current Government is serious about building an economy for all, it will heed these warnings, listen to voters, and summon the political courage to tackle this blight on society.

Britain's Richest in Numbers

How has wealth changed?

The wealth of the richest 1,000 people in Britain is £658.11 billion. This is more than the combined wealth of the poorest 40% of British households (£496 billion).¹

Last year the wealth of the richest 1,000 people increased by £82.476 billion, or:

- 14.3 per cent, or
- £2,615 per second, or
- £226 million per day.

The wealth of the 100 richest people in Britain is now £380.336 billion, an increase of £57.446 billion in the last year. This is an increase of:

- 17.8 per cent, or
- £1,822 per second, or
- £157 million per day.

The richest 10 people saw their wealth increase by £19.832 billion to a total of £121.682 billion.

What is this wealth equivalent to?

The total wealth of the 1,000 richest people:

- Is significantly more than the wealth of the poorest 40 per cent of households (£496 billion), or around 10.2 million families.
- Is equivalent to the value of 3,018,853 houses at the average UK cost of £218,000 or 1,385,495 homes in London at an average London price of £475,000 each.²

What could last year's increase in wealth for Britain's 1,000 richest people pay for?

The increase in wealth of the richest 1,000 people in Britain last year was £82.476 billion. This could:

Low pay and unemployment

- Pay for 5,143,819 Living Wage jobs for a year,³ or 2,923,333 jobs paid at an average salary.⁴
Cost = £82.476 billion

Food poverty

- Pay 56 years' worth of grocery bills for all of the UK's users of food banks.⁵
Cost = £81.5 billion.

Fuel poverty

- Pay 2 and a half years' worth of energy bills for all 25.6 million British households.⁶
Cost = £79.15 billion AND
- Pay off the current fuel poverty gap of £882 million. This would effectively lift 2.38 million households out of fuel poverty.⁷ **Cost = £882 million**

Housing crisis

- Buy houses for all people sleeping rough in England.⁸ **Cost = £901.2 million**
- Pay 2 years' rent for 4.5 million households (4,528,000 households).⁹
Cost = £72.1 billion
- Pay everybody in England's council tax bill for a year.¹⁰ **Cost = £27.6 billion**

NHS and social care

- Pay for 68% of the annual budget for the NHS in England.¹¹ **Cost = £81.6 billion**
- Pay for 4 years of adult social care in England.¹² **Cost = £78.8 billion**

Methodology

1. All estimates of wealth of the 1,000 richest people are based on those published in the Sunday Times Rich List 2017. The 1,000 richest in Britain, according to the Sunday Times Rich List, are worth £658.11 billion: [thesundaytimes.co.uk/richlist](https://www.sundaytimes.co.uk/richlist)

The measurement of British household wealth can be found here:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014/chapter2totalwealthwealthinggreatbritain2012to2014>

2. Each year there are new entrants to the Sunday Times Rich List, and those that leave. As such, our comparisons do not measure the wealth of 1,000 specific individuals one year compared to the same individuals' wealth the following year. Instead, we look at how the wealth held by the group comprising the richest 1,000 people compares to the wealth held the following year by that year's group of 1,000 richest people.

Sources

- 1 ONS Wealth in Great Britain Wave 4: 2012 to 2014
<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014/chapter2totalwealthwealthinggreatbritain2012to2014>
- 2 House Price Index: Feb 2017: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/feb2017>
- 3 Salary of UK Living Wage worker on £8.45/hr, assuming a 37.5 hour week and zero pay for bank holidays: £16,034
<http://www.livingwage.org.uk/calculation>
- 4 Full time employees: average annual pay = £28,813, this does not include NI and pension contributions. ONS Annual Survey of Hours and Earnings 2016, median gross full-time annual earnings
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/allemployeesashetable1>
- 5 The Trussell Trust reported 1,182,954 user visits (not unique users) to food banks in 2016-17. <http://www.trusselltrust.org/stats> Taking one person's average annual food cost of £1,230.70 (average weekly food spend of £56.80, divided by average number of people in household (2.4) and multiplied by 52 weeks in a year) the annual grocery bill for these users would be £ 1,455,861,488. (£1.5bn) As figures are not unique users, this is an over-estimate.
<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/datasets/detailedhouseholdexpenditurebydisposableincomedeccilegroupuktable31>
- 6 Combined average gas and electricity bill = £1,236. (DECC Quarterly energy prices, 2016, p5)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604131/QEP_Q416.pdf
- 7 DECC Annual Fuel Poverty Statistics Report, 2016) estimated 2.38m households in fuel poverty in 2014. Aggregate fuel poverty gap £882m. (most recent figures)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/557400/Annual_Fuel_Poverty_Statistics_Report_2016_-_revised_30_09_2016.pdf
- 8 Official estimates suggest there were 4,134 rough sleepers in England in 2016. <https://www.crisis.org.uk/ending-homelessness/rough-sleeping/> Other estimates suggest 8,096 people were seen rough sleeping by outreach workers in London alone in 2015/16. The increase in wealth could easily buy houses in London for all of these people, at a cost of £3.8bn).
<https://www.crisis.org.uk/about-us/latest-news/time-for-action-as-london-rough-sleeping-rises-again/>
- 9 The average private rent for UK tenancies outside London in 2015/16 was £153 per week, or £7,956 per year. There were 4,528,000 privately renting households in 2015/16. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/595785/2015-16_EHS_Headline_Report.pdf
- 10 The overall council tax requirement for England for 2016-17 is £27.643 billion
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/603781/Council_tax_levels_set_by_local_authorities_in_England_2017-18.pdf
- 11 The budget for the NHS in England for 2016/17 is £120 billion. <https://www.kingsfund.org.uk/projects/nhs-in-a-nutshell/nhs-budget>
- 12 Adult social care budget for England 2016/17 is £19.7bn. Figure from the Association of Directors of Adult Social Services
<https://www.adass.org.uk/media/5380/budget-survey-2016-the-slides.pdf>