

# The Equality Trust Wealth Tracker 2016

## Wealth in Britain

In Britain today, the richest 1,000 people own more wealth than 40% of households, or 10.3 million families. In the last year alone the combined wealth of Britain's 1,000 richest people increased by £28.508 billion to a staggering £576 billion. According to statistics from the Office for National Statistics, the richest 1% of households in the UK holds more wealth than over half of the population, and the gap is once again rising.

Worse still, with recent reports of global tax evasion and aggressive tax avoidance on an almost industrial scale, it is clear that financial opacity has hidden significant additional wealth held by the richest. The inequality we can see may only be the tip of the iceberg.

This extraordinary level of inequality isn't simply an issue of fairness. Inequality damages us all. As research has increasingly shown, 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 evidence from the International Monetary Fund, World Bank and OECD suggests our extreme inequality may also damage our economy too.

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 recognisable household items and bills, and to the wealth of the rest of us. In doing so it also highlights what the equivalent financial value of this wealth might provide if it was used in a more equitable way.

Inequality erodes not only the political, social and economic institutions we rely on, but also the ties that bind us, with vast material differences creating huge social distances. It's why over 80% of people believe the gap between rich and poor is too great, and why even billionaires such as Bill Gates and Warren Buffett have voiced concerns over inequality's effects. But extreme inequality isn't inevitable. If political leaders show the will to tackle it, and if ordinary people are prepared to push for genuine action, it can be reversed.

## Britain's Richest in Numbers

### How has wealth changed?

The wealth of the richest 1,000 people in Britain is £575.634 billion. This is more than the combined wealth of the poorest 40% of British households<sup>1</sup> (£496 billion).

Last year the wealth of the richest 1,000 people increased by £28.508 billion, or:

- 5.2 per cent, or
- £901.51 per second, or
- £77.891 million per day.<sup>2</sup>

The wealth of the 100 richest people in Britain is now £322.89 billion, an increase of £14.98 billion in the last year. This is an increase of:

- 4.9 per cent, or
- £473.78 per second, or
- £40.934 million per day.

The richest 10 people saw their wealth increase by £1.98 billion to a total of £101.85 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 (£496.017 billion), or around 10.3 million families.
  - Is equivalent to the value of 2,026,880 houses at the average UK cost of £284,000 or 1,098,538 homes in London at an average London price of £524,000 each<sup>3</sup>.
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## 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 £28.508 billion. This could:

### Low pay and unemployment

- Pay for 1,821,131 Living Wage jobs for a year<sup>4</sup>, or 1,031,217 jobs paid at an average salary<sup>5</sup>.  
**Cost = £28.508 billion**

### Food poverty

- Pay 20 years' worth of grocery bills for all of the UK's users of food banks<sup>6</sup>.  
**Cost = £28.265 billion.**

### Fuel poverty

The increase in wealth of the richest 1,000 people in Britain last year could:

- Pay 10 months' worth of energy bills<sup>7</sup> for all 25.6 million British households.  
**Cost = £27.71 billion**
- Pay off the current fuel poverty gap of £877 million. This would effectively lift 2.35 million households out of fuel poverty<sup>8</sup>. **Cost = £877 million**

### Housing crisis

The increase in wealth of the richest 1,000 people in Britain last year could:

- Buy houses for all homeless people living in London<sup>9</sup>. **Cost = £3.97 billion**
  - Pay a year's rent for over 3 million households (3,062,741 households)<sup>10</sup>.  
**Cost = £28.508 billion**
  - Pay everybody in England's council tax bill for a year<sup>11</sup>. **Cost = £26.1 billion**
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## Methodology

1. All estimates of wealth of the 1,000 richest people are based on those published in the Sunday Times Rich List 2016. The 1,000 richest in Britain, according to the Sunday Times Rich List, are worth £575.634 billion.

The measurement of British household wealth can be found here:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014/chapter2totalwealthwealthingreatbritain2012to2014>

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 <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014/chapter2totalwealthwealthingreatbritain2012to2014>
- 2 Based on leap year of 366 days.
- 3 House Price Index: Feb 2016 <http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/feb2016>
- 4 Salary of UK Living Wage worker on £8.25/hr, assuming a 37.5 hour week and zero pay for bank holidays: £15,654 <http://www.livingwage.org.uk/calculation>
- 5 Full time employees average annual pay = £27,645, this does not include NI and pension contributions. (ASHE, Nov 2015, median gross annual earnings) <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/allemployeesashetable1>
- 6 The Trussell Trust reported 1,109,309 user visits (although not unique users) to food banks in 2015-16. <http://www.trusselltrust.org/stats> Taking one person's average annual food cost of £1,274 (average weekly food spend of £58.80, divided by average number of people in household and multiplied by 52 weeks in a year) the annual grocery bill for these users would be £1,413,259,666. As figures are not unique users, this is an over-estimate. <http://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/familyspending/2015/chapter1overview>
- 7 Combined average gas and electricity bill, 2015 = £1,298 (DECC figures, March 2016, p7) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/51116/QEP\\_Mar\\_2016\\_V2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/51116/QEP_Mar_2016_V2.pdf)
- 8 (DECC Annual Fuel Poverty Statistics Report, 2015) estimated 2.35m households in fuel poverty in 2013. Aggregate fuel poverty gap £877m. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/468011/Fuel\\_Poverty\\_Report\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/468011/Fuel_Poverty_Report_2015.pdf)
- 9 This uses the latest rough sleeping figures from Crisis: <http://www.crisis.org.uk/pages/rough-sleeping.html>
- 10 The average private rent for UK tenancies in 2014/15 was £179 per week, or £9,308 per year. There were 4.3m privately renting households in 2014/15. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/501065/EHS\\_Headline\\_report\\_2014-15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/501065/EHS_Headline_report_2014-15.pdf)
- 11 The overall council tax requirement for England for 2016-17 is £26.082 billion [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/512402/Council\\_tax\\_levels\\_set\\_by\\_local\\_authorities\\_in\\_England\\_2016-17.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512402/Council_tax_levels_set_by_local_authorities_in_England_2016-17.pdf)