# A Tale of Two City-Dwellers

How the racial wealth gap affects life chances

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## About this report

This report by the Fairness Foundation and the Black Equity Organisation combines facts and figures on the nature, causes, and consequences of racial inequalities in wealth with two comparative case studies. These interviews bring the data to life by exploring the experiences of two men of the same age, earning similar salaries in the same city. One is White and has benefited from financial support from his family; the other is Black Caribbean and has not. The study examines how race and class inequalities intersect with wealth disparities in the UK and offers recommendations for how policymakers should respond.

The online version of this report is at https://fairnessfoundation.com/a-tale-of-two-city-dwellers.

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## About the Fairness Foundation

The Fairness Foundation works to change the debate around fairness in order to build a fairer Britain. We are a registered charity (1044174). Our vision is a Britain where everyone has the 'fair necessities' (fair essentials, fair opportunities, fair rewards, fair exchange and fair treatment). We believe that inequality is not only unfair and unpopular but is also damaging our society, economy and democracy. We work to persuade UK policymakers of the moral, the political and the policy arguments for tackling inequality.

## About the Black Equity Organisation

The Black Equity Organisation (BEO) is an independent, national Black civil rights organisation created to dismantle systemic racism in Britain, drive generational change and deliver better lived experiences for Black people across the country. We are ready for a generational shift and will strive tirelessly to dismantle systemic racism and make the UK a better, fairer country for Black people. Hope is not enough. Swift action and results are urgently needed.

# Executive summary

In the UK, inherited wealth now shapes life chances and opportunities more decisively than earned income, undermining the notion of a meritocratic society. Over the coming decades, an estimated £7 trillion will be transferred across generations in a very unequal way, widening wealth inequality even further. Wealth inequality in the UK surpasses income inequality, and is deeply intertwined with historical and contemporary patterns of racial injustice.

Most ethnic minority groups possess far less wealth than their White British counterparts. Black African and Black Caribbean households typically have a mere fraction of the average net worth of White British households. This disparity is the legacy of both historical discrimination in terms of housing and employment and more recent failures to address ongoing systemic inequalities. These inequalities have compounded over generations, restricting the wealth-building opportunities available to many minority groups. As a result, home ownership, a primary mechanism for wealth accumulation and intergenerational transfer, is significantly less common among Black African and Black Caribbean families than among White British households. The consequences of this divide manifest not only in housing, but also in education and career outcomes, where structural and socio-economic factors reinforce one another. Comparative analysis of two case studies - men of the same age in London, one White British with access to family support and one Black Caribbean without - shows how equal salaries do not translate into equal opportunities, because of unequal access to wealth. The White participant is able to purchase a home and plan for the future, buoyed by parental support and an anticipated inheritance, while the Black participant, despite steady employment, remains unable to buy a home because he has no access to intergenerational wealth.

Wealth accentuates the positive - for example, enabling people to accumulate more assets - and eliminates the negative - such as by allowing people to absorb financial shocks. The ability to draw on family wealth provides stability and the freedom to take personal and professional risks, whereas its absence necessitates greater self-reliance, risk-aversion, and continual financial caution. The psychological dividend of inherited security is unevenly distributed, and the lack of a safety net leaves millions unable to plan or invest in their futures. The racial wealth gap is the product of cumulative disadvantage, rooted in both economic and policy structures that continue to disenfranchise ethnic minorities and low-wealth families alike, but that disadvantage poorer ethnic minority families most of all. Opportunities for home ownership and wealth-building remain fundamentally shaped by race and class, further amplified by regional disparities. These inequalities are not only unfair; they are economically inefficient and socially corrosive. When millions are locked out of opportunities for asset accumulation, the consequences for economic growth, social cohesion, and democratic trust are disastrous.

Addressing wealth inequalities requires action across three areas of policy. First, wealth should be taxed more effectively, including both existing taxes on income from wealth and transfers of wealth, and potentially new taxes on stocks of wealth. Second, wealth ownership must be broadened through approaches such as universal basic capital, giving more people a foundation for security and opportunity. Third, the outsized role of wealth in shaping life chances should be reduced by investing in public services, reinforcing the welfare state, and limiting the influence of the wealthy on politics. Specific action is also needed to tackle racial wealth gaps, including race equity audits for housing programmes to ensure fair access and monitor outcomes by ethnicity, wealth-tested deposit-match schemes supporting first-time buyers without family assets, stronger anti-discrimination enforcement in the private rented sector, mandatory ethnicity pay-gap reporting with action plans and procurement-linked incentives, and improved pension access through reductions to the auto-enrolment earnings threshold.

Closing the racial wealth gap is not only a moral imperative but is critical to a fairer, more resilient, and prosperous society.

# Introduction

We live in a society in which what you own (and especially what you inherit) matters more than what you earn. Eliza Filby has described how recent generations grew up believing that we live in a meritocracy, where hard work and a good education brings rewards, only to find that we actually live in an inheritocracy, in which "life chances and opportunities are no longer shaped by what we learn or earn but by whether we have access to the Bank of Mum and Dad".

The "largest handover of generational capital in human history" will see an estimated £7 trillion (in today's money) pass between generations in the UK over the next 30 years. But this transfer will be very unequal, so the net result is that wealth inequality will reach even higher levels than we see today. Millions of young people will be able to get onto the housing ladder thanks to the 'bank of mum and dad', but millions more will not.

At the heart of this problem is the growing size and importance of wealth inequality in the UK. Wealth inequality is higher than income inequality, and as the amount of private wealth has grown in recent years, the size of the absolute 'wealth gap' has also risen. At the Fairness Foundation, we have brought together the evidence (through our Wealth Gap Risk Register) of how this increasingly large wealth divide is undermining opportunity and damaging our economy, our society and our democracy. Much of this damage comes from its weakening of the social contract - the expectation that hard work would be rewarded by a good standard of living in the present (including decent housing) and prospects for self-advancement in the future.

Of course, not all groups in British society benefited equally from the social contract that did briefly exist in the post-war decades. Many working-class families were able to accumulate a comfortable level of wealth over that period, through a combination of high levels of employment, growing wages, generous pensions, and in particular a housing market that enabled people to buy cheaply (including through right to buy) and then to watch their homes appreciate in value many times over. But millions did not; in Britain today, only half of the population are homeowners, and the 50% of Britons who do not own their home are increasingly finding the rungs of the ladders of social mobility lifting out of reach, not only for them but also for their children and grandchildren. And the absence of wealth undermines wages and employment prospects as well as physical and mental health, and engagement in society.

Many of the families staring down the barrel of persistent disadvantage are White British. However, the wealth inequality that drives much of this disadvantage also has a stark racial component, since most ethnic minority groups in the UK own much less wealth than White Britons. Wealth inequality exacerbates racial inequalities, turbocharging the present-day impacts of previous racial discrimination and other historical processes (leaving aside the impacts of ongoing racial discrimination).

# Context

## Racial inequalities in wealth

All ethnic minority groups in the UK, except those of Indian descent, have considerably less wealth than the White British majority.

The Runnymede Trust's Colour of Money report in 2020 analysed ONS data to show that for every £1 owned by White British households, Black African and Bangladeshi households hold only 10p – a level of inequality that is even higher than the racial wealth gap in the US.

The average (median) person of Black Caribbean, Black African and Bangladeshi heritage lives in a household with *no* net property wealth, whereas the median White person lives in a household with net property wealth of £120,000.

The inequality is not much less stark when it comes to total household wealth (including financial and pension wealth), which is £321,000 for the median White British household but under £40,000 for the median Black African household, and only £65,000 for the median Black Caribbean household.

*Browse the data online (source: ONS/Runnymede)*

Moreover, the poorest people in these groups are worse off (typically having negative wealth, i.e. living in debt) than the poorest White and Indian people (who typically own a very small amount of wealth). People of Black Caribbean, Black African and Bangladeshi descent are less likely than other groups to own their own homes and more likely to hold financial debt in the form of credit cards, loans and overdrafts.

## Causes and consequences

Racial inequalities in wealth have a variety of historical causes. A qualitative report by LSE and the Equality Trust in April 2025, which carried out interviews with 24 'community storytellers' about racial inequalities in wealth, identified a range of possible explanations for why some ethnic groups in the UK have been able to build wealth while others have not, including low pay, high living costs, barriers to career advancement, lack of financial education, immigration policies, barriers to banking and credit, lack of equitable access to education and training, and barriers to homeownership.

This last point about lack of access to homeownership is key. A 2025 report from the Runnymede Trust and the LSE International Inequalities Institute argues that "wealth from home ownership, which forms a substantial part of the total wealth stock, is a major factor in driving headline differences in the racial wealth divide." Another 2025 report from LSE, which draws on longitudinal *Understanding Society* data, finds that "ethnic wealth gaps widen sharply across the life-course, driven by persistent disadvantages in income, differences in savings behaviour, and delayed entry into homeownership."

Many migrant communities in the UK have faced multiple barriers to getting onto the property ladder over recent decades, especially in the middle of the last century. Some were more or less inevitable consequences of their having recently arrived in the country, in many cases with little or no wealth.

However, others were the entirely avoidable results of directly discriminatory practices in the period from the 1950s to the 1980s (and sometimes beyond), such as exclusion from housing markets, restrictions on accessing mortgages and other financial services, and discrimination in the labour market, as well as the financial impact of policies such as Right to Rent and the disproportionate burden on migrant communities of no-fault evictions.

As a result, there are significant inequalities in homeownership rates across different ethnic groups. The latest figures show that only 22% of Black African households and 31% of Black Caribbean households are homeowners, compared to 68% of Indian households and 70% of White British households.

*Browse the data online (source: MHCLG)*

These headline rates obscure regional variations; analysis of 2021 census data by Positive Money shows that the gap in homeownership rates between people living in London and those living in the rest of England is particularly large for certain groups (with, for example, a 14 percentage point difference in homeownership rates for Black Caribbean households between those living inside and outside London).

Inequalities in home ownership drive inequalities in wealth, which themselves are the cause of other inequalities in areas that can themselves undermine future wealth accumulation, thus forming a feedback loop.

One such example is educational inequalities. While the causes of racial inequalities in educational attainment are complicated, there is a clear interaction with socio-economic status, with a well-documented 'disadvantage gap' in educational outcomes. The disadvantage gap in education increases over time, from the early years through the end of primary school to the end of compulsory education.

This interacts with differences in educational attainment by ethnic group. For example, on average, disadvantaged Black Caribbean children are 4.3 months behind their non-disadvantaged White British peers by the start of primary school; this gap has increased to 9.6 months by the end of primary school, and to 18.5 months by the time they take their GCSEs (although disadvantaged White British pupils fare even worse).

*Browse the data online (source: EPI)*

Poorer grades at school clearly have an impact on subsequent educational outcomes and on future earnings, but socio-economic disadvantage (and its interaction with racial inequality) also undermines both university attainment and job prospects in ways that go beyond the direct consequences of lower attainment during the school years.

While the 37% 'disadvantage gap' in university attendance is almost entirely explained by differences in GCSE results, there are differences in degree completion and in degree results that cannot, and this inequality is exacerbated by the fact that poorer graduates are less likely to get into the universities that do the best job of reducing the disadvantage gap. In London, 60% of disadvantaged students (defined as those who qualified for free school meals) are from ethnic minority backgrounds.

When it comes to the job market, the picture is equally complex. People from some ethnic groups are paid considerably less than their White British counterparts (even if some are paid much more).

For example, the median Bangladeshi worker is paid 17.5% less per hour than their White British counterpart; for Black African workers, the pay gap compared to White British workers is 7.3%, while for Black Caribbean workers it is 1.7%. By contrast, Indian workers are paid 19.9% more per hour than their White British peers, and Chinese workers 23% more.

Of course, this analysis does not consider the impacts of pay gaps affecting women, or people with disabilities, or of regional differences in pay across the UK, all of which interact with each other, and it does not control for variations in class background between different ethnic groups.

*Browse the data online (source: ONS)*

It might not be surprising that people from poorer backgrounds have higher unemployment rates and lower incomes than those from wealthier backgrounds, and this certainly explains some of the variation in hourly pay rates between different ethnic groups. But at the top of the labour market, graduates from poorer backgrounds have lower incomes than their wealthier peers, even if they have the same degree qualifications.

This is partly because many of the top professions continue to recruit more people from privileged backgrounds. Getting a good degree from an elite university is not enough to equalise career opportunities or earnings. In fact, poorer graduates earn less than their wealthier peers at the same universities. And while it might not be surprising that free school meal recipients earn less than their peers, given that the former group are less likely to go to university, there is still an earnings gap among those with the same level of qualifications and educational attainment.

Leaving aside students who went to private schools, the earnings gap can mostly be explained by differences in quality of education and years of experience in the workplace. However, around 5% of the earnings gap is unexplained and could be caused by direct discrimination based on ethnicity, gender or other factors.

The Runnymede Trust's Colour of Money report in 2020 details examples of direct racial discrimination in the labour market, such as research showing that people with Asian or African-sounding surnames had to send in nearly twice as many CVs to get an interview as people with British surnames. However, the report also notes that many people from ethnic minorities share demographic features with other disadvantaged groups - people from working class backgrounds, and people living in poverty.

There is a regional dimension too, as a 2024 Institute for Fiscal Studies paper points out: "One of the defining factors in characterising inequalities among different ethnic minorities lies in understanding regional patterns of settlement and the opportunities this affords in terms of access to housing and jobs."

Overall, then, socio-economic inequality interacts with racial inequality, as well as with other forms of inequality. These different forms of inequality feed off each other, and grow over the course of an individual's life. In particular, wealth inequality exacerbates racial inequalities in living standards and opportunities, and has its roots in directly observable historical instances of racial discrimination.

# Case studies

The Black Equity Organisation interviewed two 30-year old men living in London in mid-2025. This section of the report provides a side-by-side comparison of their family background, their education and careers to date, and their housing situation and prospects, followed by analysis of their individual situations in the context of the broader structural forces outlined above.

Names have been changed to protect the privacy of the participants.

## Josh

Participant 1 (”Josh”) is a White male 30-year-old charity sector knowledge worker, living in London and earning between £40,000 and £50,000 per year.

## Anthony

Participant 2 (”Anthony”) is a Black Caribbean male 30-year-old railway shunter, living in London and earning between £40,000 and £50,000 per year.

# Family

## Josh

Josh grew up in a stable, family-owned home where his parents still live. His mother worked in adult education for the local authority, while his father worked in charity administration. Both parents were university educated and placed a strong emphasis on education, and on making sensible financial decisions rather than on prioritising well-paid work. Their approach combined intellectual aspiration with thrift: saving, avoiding debt, and living within one’s means.

## Anthony

Anthony grew up in an owner-occupied family home, a modest end-of-terrace three-bedroom house that was later expanded to five bedrooms via a loft conversion. His parents’ financial situation improved over time: early struggles gave way to greater stability as their careers progressed. His father works in IT, while his mother is a supported carer assisting people with disabilities. He believes that the family’s financial situation improved following his sister’s birth.

# Education

## Josh

Josh attended a Church of England state secondary school, reflecting his parents' religious commitment. His parents' own degrees made them confident advisers when it came to university applications. He was briefly considered an Oxbridge candidate, but none of the group from his school secured a place, so he went to a mid-ranked university to study history. He received a small scholarship for his undergraduate degree, and also had occasional parental financial support. He then studied for a master's degree at a Russell Group university. His postgraduate decision was shaped by intellectual curiosity rather than prestige; he selected courses that matched his interests in history and politics.

*"It was always a given that I would be able to go to university if I wanted to… So I never really questioned whether I would go to university."*

Initially, Josh planned to enter academia and considered studying for a PhD, but discussions with academics about poor conditions and prospects in academia led him to choose a more secure route based on the stability of receiving a regular wage. His humanities education nevertheless shaped his career: writing, editing, and critical thinking became central skills that defined his professional trajectory. Today, he still sees education as transformative, both for employment and personal enrichment, and continues to engage with his academic training, running a history and politics book club. He doubts that degrees should be strict prerequisites for many jobs, but acknowledges that many employers treat them as such.

## Anthony

Anthony had an unhappy experience at sixth form college; he found the school environment unsupportive and incompatible with his learning style, exacerbated by a curriculum mismatch between his previous school system and the one used by the sixth form. He "didn't gel well" there, resulting in poor exam results and a period of low motivation. However, he discovered a passion for video editing and writing, and left after a year to study media at college, followed by an undergraduate degree in creative writing and film studies. He financed his education entirely through student loans, without parental contributions (or guidance on applications, since neither of his parents had been to university).

Despite valuing education highly, Anthony found it less useful for employment. His degree did not lead to the opportunities that he anticipated in the media industry; repeated unsuccessful job applications led him to question the financial and emotional return on higher education. Anthony blames the competitiveness of the media industry, but also suggests that his university did little to help graduates on his course to find work in the sector. The job that he has ended up in (see below) is one for which formal qualifications are of little significance; anyone can "walk in off the street" and succeed if they have enough practical skills.

*"Education didn't open the doors I expected. I left university with a degree expecting to be more competitive, but I've applied to hundreds of roles in film and media and half the time I never got any word back. And I thought, what was the point of putting myself in debt?"*

# Work

## Josh

Josh describes his first job - delivering newspapers every morning between the ages of 13 and 18 - as formative, instilling discipline and independence. Like many 13-year-olds, he hoped to become a professional footballer, but as he grew older his goals shifted towards staying in education.

His eventual entry into communications and charity work came almost fortuitously. During a post-university internship at a small journalism outlet where his girlfriend worked, a colleague recommended applying to an organisation seeking writers and communicators. Landing this job launched his career in the nonprofit sector, which he has since built steadily.

On workplace fairness, Josh acknowledges seeing discriminatory behaviour second hand, but not directly experiencing it himself. He recalled a previous workplace that mishandled racial issues seriously, including an incident in which a friend faced racist remarks recorded on internal communication platforms. He attributed his own ease of progression partly to privilege: as a white man, he had likely benefited from the absence of obstacles rather than from exceptional opportunities.

## Anthony

Anthony's first job was working for his uncle's catering company as a teenager. After university, Anthony fell into railway work by chance. Initially, he joined the Crossrail (now Elizabeth Line) project in a temporary role involving tunnel maintenance and safety checks. Over time, he became a shunter, a hands-on position involving taking trains apart and putting them together.

He acknowledges that railway work is stable and fairly well paid, but the irregular shifts disrupt his personal life, and he would like to move into a marketing role with regular 9-to-5 hours that more closely matches his qualifications and interests.

Anthony has observed clear racial disparities in his sector. When he joined, he saw "maybe one" Black train driver, and though representation has slightly improved, he describes the railway workforce as "young, white and working-class." He suggests that systemic barriers might explain why Black applicants often fail to secure driving roles despite open recruitment. He expresses frustration at the lack of visible role models within the railway industry: *"It can be challenging when you don't see people that look like you in the position that you want to be in."*

## Josh

Josh and his wife own a three bedroom maisonette in a council block in southeast London, purchased during the pandemic stamp duty holiday when competition was intense. The couple could afford the property only with financial contributions from both families, but this help was significant, and had been expected, since his parents had made a longstanding promise to help with a deposit, as well as providing financial advice.

*"My parents had always said that they would want to help with buying a property, when that time came."*

Josh aspires to buy a freehold property in the future, but does not aspire to own multiple properties. He is confident that he will receive a reasonable inheritance when his parents die, which will help him and his wife to move into a larger home in the future.

## Anthony

Still living at home with his parents, Anthony is saving towards buying a home, and has been for more than three years. His parents provide free accommodation at home, but no financial assistance. Unable to draw on family wealth, he is reliant on his own savings to build up his deposit.

*"It is very much on me. It's down to me to figure out what I'm doing."*

Although he once came close to purchasing a property outside London, the sellers accepted a lower competing offer. At this point, stamp duty rates were lower, making the prospect of buying a property more attainable than it is today. Anthony describes the cost of buying a property without family support, even with a solid salary, as prohibitive. He has found advice from friends

of limited value; most of his peers also rent or live with their parents.

## Josh

Josh benefits from 'inherited stability' - the ability to move through life focusing on personal fulfilment, rather than being constrained by financial necessity. He frequently describes key life stages, such as attending university, as "a given," illustrating a sense of confidence and predictability in his trajectory. He has always known that his parents would help him to but a property when the time came. Family wealth underpins access to property and forms a foundation of financial stability. Having received a deposit and ongoing financial advice from his parents, he benefits from what Bourdieu (1986) describes as "the intergenerational transmission of economic and cultural capital". This inherited security ensures that financial setbacks do not seriously threaten his housing or long-term wellbeing. His parents' educational backgrounds and their history of home ownership have normalised both the expectation and achievement of property possession. This support provides a material base for wealth accumulation through housing, which remains the primary vehicle for intergenerational wealth transfer in the UK. Josh sees home ownership as a complete and contained achievement, as if purchasing the property also secures the lifestyle associated with it. With the benefit of the economic security afforded by intergenerational support, the hidden costs of establishing and sustaining a home are less visible to him, absorbed within a broader sense of financial security.

Josh describes feeling free to take risks, change jobs and prioritise fulfilment over income, which may come from a confidence that family support would absorb temporary losses. Growing up, his parents "didn't put a huge value on making lots of money," which has allowed him to go into a career that he is passionate about. This sense of freedom reflects Beck's (1992) notion of risk society, where the ability to manage uncertainty depends on personal resources rather than collective safety nets. For Josh, inherited capital transforms risk into opportunity, enabling him to make flexible career choices that can indirectly enhance wealth accumulation over time.

Although Josh received financial support from his parents at university and with the deposit for his home, he is uncomfortable with the idea of inheritance: *"I think it's bad to entrench wealth through inheritance. I think the ideal society would be one where you don't need to inherit to live well; we should organise society in such a way that everyone's basic needs are met."*

This very honest but nuanced view signals what might be termed the privilege of moral distance: the capacity to critique unearned wealth while continuing to benefit from it. As Bourdieu (1990) argues, such symbolic capital allows individuals to retain moral legitimacy while sustaining material advantage. Yet it also speaks to a recognisably human tension, the dissonance between ethical awareness and material comfort. The progression of inequality appears caught in this in-between space, where the desire to act justly collides with the security and ease afforded by inherited privilege. This dissonance indicates how moral reflexivity itself can coexist with complicity in unequal systems, which in turn reproduces inequality.

Josh is confident in his capacity to accumulate assets and build long-term wealth, recognising that he "saves money most months." He also recognises that inheritance will play a significant role in his acquiring wealth, allowing him to build wealth "without doing anything". His optimism reflects Adkins et al.'s (2020) notion of asset-based subjectivity, where expectations of accumulation and upward mobility are central to middle-class identity. This confidence is underpinned by the knowledge that he will likely inherit substantial wealth, what Shapiro (2017) describes as transformative assets, resources that enable individuals to plan, take risks, and imagine secure futures.

Optimism here operates as a subtle form of privilege, a psychological dividend of inherited security and intergenerational continuity. The ability to view the future as stable or promising is itself unequally distributed. For some, inheritance enables confidence and long-term strategising; for others, it is shadowed by loss, uncertainty, or exclusion from the very systems that make optimism possible.

## Anthony

As the first in his family to consider higher education and without parental financial support, Anthony's route to home ownership is self-reliant and precarious. He emphasises that a home is "only really yours once the last payment has been made," reflecting his broader sense of economic precarity and limited control over future security (Standing, 2011). For him, ownership represents aspiration rather than consolidation. Purchasing a property is only one stage in a broader financial journey that includes furnishing, maintenance, renovations, and everyday essentials such as internet access and appliances. He has an acute awareness that the costs of ownership extend far beyond the initial deposit and mortgage. Without financial support from family members, each stage of the process of buying, equipping and paying off a property represents a distinct hurdle, requiring active planning and sacrifice.

Anthony is surrounded by people who see the danger in getting it wrong financially and with the property market. He has received contradictory advice to "get on the ladder as soon as you can…" and to "stay at home as long as possible". While his family and friends are trying to support him, their advice is general and lacks detailed knowledge of the housing market. Anthony talks about needing to "have your money together", especially in London. His hesitance to go back into the housing market, after saving a large enough deposit already, demonstrates how the absence of inherited wealth constrains not only material options but also psychological attitudes toward risk. As Shildrick (2018) observes, resilience and self-reliance are often romanticised, yet their costs are borne most heavily by those without safety nets. The privilege of "failing forward" is reserved for those already protected by generational assets.

Anthony sees inheritance as a positive and necessary mechanism to enable access to property. He viewed it as a duty for parents and grandparents to help their descendants, suggesting that people work hard not to enrich the government but to provide for their families. For him, inheritance represented a moral reward for effort and responsibility rather than an unearned privilege: "*People didn't grind their whole life away or make wise decisions or investments or whatever solely to give all the money to the government.*"

Despite not receiving an inheritance himself, Anthony's position reflects a belief that the accumulation and transfer of wealth are both natural and just, part of a familial ethic of care that extend beyond one's own lifetime. The contrast with Josh's views illustrates how inherited capital not only structures material advantage, but also shapes moral narratives around deservingness. Those who benefit from family wealth can afford to question it; those excluded from it recognise its structural necessity. In this sense, inheritance is an issue where individual morality and structural inequality intersect - a moral economy in which familial love and security are entangled with the reproduction of social class. The notion that people work hard for their children functions as both justification and an emotional shield, obscuring how personal virtue is leveraged to legitimise systemic advantage.

Anthony acknowledges the possibility of future inheritance but is uneasy about the emotional conditions attached to it, noting that any gain would come at the loss of his parents: "*The fact that I have to wait for someone to die to build wealth in this country is not great.*"

He expresses scepticism about his ability to save or buy a home, citing stagnant wages and rising living costs. His pessimism echoes evidence of the racial wealth gap in the UK, where Black households hold significantly less wealth than White households with comparable incomes (ONS, 2022). This disparity reflects not just differences in earnings but in inherited financial safety nets, which shape both material opportunities and the emotional capacity to plan for the future (Elliott, 2023; Crossley et al., 2019).

# Conclusion

In an economy shaped by soaring private wealth and declining public wealth, and where that private wealth is held very unequally, the wealth of one's parents has a huge impact on both life chances and life outcomes. The racial wealth gap in the UK, which has its roots in part in historical racial discrimination, means that opportunities and living standards are not equally distributed between ethnic groups.

This comparative analysis demonstrates that equal incomes do not lead to equal opportunities for wealth accumulation or home ownership. Our two case studies are instructive. Josh's access to inherited capital, intergenerational knowledge and cultural familiarity with financial systems provide a platform from which to build and retain wealth. Anthony's experience reflects the opposite: structural precarity, limited social capital and the absence of familial wealth that might cushion financial risks. Wealth in the UK is less earned than inherited, and opportunities to buy homes and build security remain profoundly shaped by intergenerational advantages that are not distributed equally between different ethnic groups.

While the parents of both participants are homeowners (unlike two thirds of Black Caribbean households), only Josh benefits in a way that translates directly into intergenerational wealth. Anthony has no financial cushion, no surplus assets that can help him to build up his own wealth. This contrast reflects broader evidence that wealth held by Black families in the UK often does not convert into transferable or "liveable" capital. Black African and Caribbean households have median total and property wealth far below that of White British households, with limited capacity to leverage housing equity for intergenerational support. What appears as potential wealth on paper often lacks the liquidity or market value to offset precarity or enable upward mobility. Wealth's form, accessibility, and generative power differ markedly by race.

Wealth does not emerge in a vacuum. The ability to purchase a home, accumulate savings or invest in assets is rarely the result of individual effort alone. Rather, it reflects a series of cumulative advantages and supports that unfold across the life course. Access to higher education, parental wealth, financial literacy and family networks all contribute to the conditions under which individuals can translate income into long-term security. These resources, distributed unevenly along racial and class lines, shape who can access the housing market and when. As such, this analysis approaches home ownership not as an isolated economic event but as the outcome of interacting social, familial and structural opportunities that make the accumulation of wealth possible for some and far more difficult for others.

The analysis in this report is limited to the interaction between wealth inequality and racial inequality, without consideration for other important forms of inequality, including gender, disability and regional inequalities, and with a focus on certain ethnic groups (especially Black Caribbean and Black African groups). However, we believe that many of the solutions are universal, and will benefit everyone by reducing both wealth inequality and its negative impacts on all other forms of inequality, as well as its spillover impacts on our economy, society and democracy more broadly.

The racial wealth gap in Britain is indefensible and unsustainable. As with other ethnic minority groups, Black families have worked hard over generations, but, in large part because of these discriminatory policies, they have been locked out of the opportunity to build housing wealth, with severe consequences for their present-day living standards and for the future prospects of younger generations. Wealth disadvantages for ethnic minority groups persist even after accounting for observable characteristics such as age, household composition, income and education. The existence of such inequalities is contributing to a sense of economic exclusion and discrimination. And so these inequalities of opportunity and of outcome are not only unfair; they are bad news for all of us, with negative consequences for economic growth, social cohesion and the health of our democracy. The time for action is now.

# Recommendations

## Summary recommendations

The **Fairness Foundation** has identified 33 potential policy responses to wealth inequality in our Wealth Gap Risk Register, which can be grouped into three broad areas:

- **Taxing wealth more effectively**, starting with existing taxes that target income from (or transfers of) wealth, but also considering new taxes on stocks of wealth
- **Sharing wealth more broadly** across society in the first place, for example through the creation of public wealth funds or other approaches to 'universal basic capital'
- **Reducing the importance of wealth (or its absence)** in influencing people's life chances and outcomes, through investing in public services and in our welfare state, and taking measures to reduce the influence of the wealthy on politics

The **Black Equity Organisation** calls for five targeted measures to address racial wealth gaps:

- **Race equity audits** for housing programmes to ensure fair access and monitor outcomes by ethnicity
- **Wealth-tested deposit-match schemes** supporting first-time buyers without family assets
- **Stronger anti-discrimination enforcement** in the private rented sector
- **Mandatory ethnicity pay-gap reporting** with action plans and procurement-linked incentives
- **Improved pension access** by reducing the auto-enrolment earnings threshold

## Fairness Foundation recommendations: tackling wealth inequality

### Taxing wealth more effectively

Unless actively checked, wealth inequality is self-perpetuating and the absolute wealth gap will continue to grow, because wealth begets more wealth. This process is amplified by the UK's tax system, which under-taxes income from wealth compared to income from work. This creates an unfair disadvantage for people in employment compared to people who generate income from assets, and significantly reduces the amount of revenue raised through taxation to fund public services. There are a range of straightforward ways to tax wealth more fairly and effectively, such as equalising tax rates on capital gains with tax rates on employment income, to achieve a 'triple win' of raising revenue, reducing wealth inequality and boosting economic growth. There is clear public support for tax increases to fall on wealth rather than income. Other proposals that look to redress the under-taxing of wealth, and to tackle wealth inequality, include a separate tax on stocks of (as opposed to incomes from or transfers of) wealth. A new wealth tax has moved from the margins of economic debate to a serious proposal to raise revenue and/or reduce wealth inequality. A one-off wealth tax could be justified as a response to a particular crisis, but would only temporarily reduce wealth inequality. An annual progressive wealth tax could be justified on the basis that it would permanently limit wealth inequality, but public and political support would need to be won, with a concerted effort to ensure that it was well designed and implemented (and not, as has happened in other European countries, watered down by successful lobbying to include loopholes that reduce the revenue raised and thus undermine its legitimacy).

### Sharing wealth more broadly

Sharing wealth is another approach. Wealth concentration in the UK has been facilitated by an economic system that often incentivises and rewards the extraction of value from existing financial and corporate wealth, rather than encouraging the creation of new economic value. Mechanisms to prevent this, such as public wealth funds, would ensure that income-generating assets are shared more equitably, allowing all citizens to benefit from economic development. These funds would provide access to excellent investment returns for everyone and mitigate the effects of differential returns, where the wealthy enjoy superior rates of return compared to average savers, exacerbating existing inequalities. Sharing wealth broadly now can also help to mitigate the impacts of future trends that are likely to intensify wealth inequality, such as the increasing power and impact of artificial intelligence.

### Reducing the importance of wealth (or its absence)

Another strategy involves conceding that wealth inequalities are entrenched, and focusing instead on mitigating the negative impacts of these inequalities. This has been done in some European countries which means that there are more opportunities for the wealthy in the UK to buy advantage and influence than in many comparable countries. Many European countries have substantial safeguards to reduce the salience and importance of wealth in everyday life, such as more equitable education systems, a more comprehensive and generous welfare state, and measures to reduce the influence of wealth on politics such as more transparent lobbying regulations and stricter rules on donations.

*For more details on specific policies see the solutions section of our Wealth Gap Risk Register*

## Black Equity Organisation recommendations: tackling racial wealth gaps

### Race equity audits embedded in national and local housing programmes

Make race-equity audits a statutory requirement for all housing capital programmes (e.g. social housing build, regeneration and Help to Buy style schemes), with publication of outcomes (i.e. access, affordability, completions) by ethnicity. This aligns with BEO's call in Black Britain's Mandate for robust Public Sector Equality Duty enforcement and race-disaggregated monitoring, and addresses the report's finding that housing is the primary mechanism of intergenerational wealth transfer that is currently unequal.

### Deposit-match funds for 'low-wealth' first time buyers

Create a targeted deposit match scheme for first-time buyers with low net household wealth, using wealth tests rather than income-only criteria. This will allow for more equitable assessment, by reviewing the buyer's access to transferable or liquid financial resources (e.g. home equity, savings, investment assets) rather than income alone. This directly tackles the report's core problem, noting that similar incomes produce divergent outcomes when one household has access to the "Bank of Mum and Dad" and the other does not. Funds would go to households like Anthony's with a steady income but no family wealth, but not to households like Josh's that already have the resources to provide a deposit. This scheme does not create exclusion for wealthier households in any broader sense, as Josh would retain full access to all existing homeownership routes. Borrowers like Anthony entering the market through this type of scheme would typically have steady earnings, stable employment and low existing debt burdens, creating strategic benefits for lenders.

### Right to rent anti-discrimination oversight

Establish national oversight with mystery shopper-style testing, and penalties for discriminatory tenant screening. This reflects BEO's Black Britain's Mandate concerns regarding the disproportionate impact of 'right to rent' checks. Renters who believe they have been wrongly rejected should receive access to an independent advocate, similar to a tenancy rights advisor or ombudsman caseworker, with a rapid review of evidence, including messages, application records, and screening criteria, as well as assistance in challenging the unfair refusal. This aligns with the direction of travel under the Renters' Rights Act 2025, introducing a free Private Landlord Ombudsman to resolve disputes fairly and quickly, and increased protection against landlord discrimination.

### Mandated ethnicity pay gap reporting with action plans

Mandate annual ethnicity pay gap reporting and require time bound action plans, as advocated by Black Britain's Mandate. This targets documented pay disparities and occupational segregation, highlighted as evidence across sectors. It would require confidentiality protections, intersectional reporting (e.g. race x gender x disability) and accessible redress for discrimination via equality impact assessments for HR policies.

### Improved pension access by reducing the auto-enrolment earnings threshold

Reduce barriers to pension participation for low-paid and multi-job workers. This can be done by either lowering or abolishing the automatic enrolment (AE) £10,000 earnings trigger relating to a single job, enabling contributions from the first pound earned, and aggregating earnings made across multiple jobs. This would also mean fully enacting the Pensions (Extension of Automatic Enrolment) Act 2023 - reducing the AE age to 18, and removing the lower earnings limit (LEL), ensuring that workers in less secure, or part-time roles systematically receive employer pension contributions. Black workers are overrepresented in lower-paid, less secure, and multi-employer jobs, so are much less likely to have a workplace pension (23%, compared to 38% of the general population). With the AE level set at £10,000, and the LEL at £6,240, part-time workers, zero-hours staff, agency or platform workers and people with multiple low-paid jobs are disproportionately excluded from pensions. Lowering or abolishing these triggers would directly address the access gap, supporting wealth-building for Black communities.

# Methodology

## Research aims

This study used a comparative case study design to examine how access to wealth, particularly inherited wealth, shapes opportunities for home ownership. Such an approach enables a nuanced analysis of both commonalities and contrasts between individuals while situating their experiences within wider social and structural contexts (Yin, 2018).

Focusing on the intersections of race, class, and intergenerational wealth, the study compares participants with differing levels of familial financial support to reveal how historical patterns of racialised accumulation and dispossession continue to influence housing access today. Beyond identifying material disparities, the design also explores the moral and emotional dimensions of inheritance, how individuals justify, critique, or normalise wealth transfer, highlighting the structural and symbolic processes through which racialised inequalities in property ownership are sustained.

## Sampling method

A purposive sampling strategy was employed to identify participants whose experiences were most relevant to the research questions (Patton, 2015; Palinkas et al., 2015). This approach prioritised depth over breadth, selecting information-rich cases rather than aiming for statistical representativeness (Etikan, et al, 2016). Transparent inclusion criteria were established based on the study's conceptual framework, ensuring clarity in case selection and supporting the credibility and trustworthiness of the findings (Ritchie, et al, 2014; Nowell, et al, 2017).

While purposive sampling limits the generalisability of findings to the wider population, it enables analytic generalisation, contributing to theoretical understanding of how racialised wealth and inheritance shape access to property and intergenerational mobility. By focusing on contextually rich cases and providing a detailed account of selection criteria, the study ensures that insights are transferable and can inform theory and policy even if they are not statistically representative (Palinkas et al., 2015).

## Participants

The participants were chosen for their similar salaries, age and prospects of home ownership. Both participants are 30-year-old men living and working in London. One was identified as Black Caribbean and the other as White British. Both participants earned between £40,000 and £50,000 a year. For structuring this report, the participant of White British background has been coded as Participant 1 (as he was interviewed first) and the participant of Black Caribbean background has been coded as Participant 2.

The key difference between Participant 1 and Participant 2 was housing status and access to family wealth: Participant 1 is a homeowner and had received financial support from his parents to afford a deposit on a 3 bedroom property in London. Participant 2 lives at home with his parents after saving but not having a big enough deposit yet to buy and does not have access to financial support. Using participants of similar age and location helped to control for generational and regional factors, isolating the influence of inherited wealth on property-buying opportunities.

## Data collection

Data were collected through semi-structured interviews, each lasting approximately 45 minutes. The interviews explored participants' experiences of saving, accessing financial support, navigating the housing market, and perceptions of fairness or inequality in homeownership opportunities. Semi-structured interviewing provided a balance between comparability across cases and flexibility to follow up on issues of personal significance to each participant (Kvale & Brinkmann, 2015). Interviews were conducted via Teams, recorded with consent, and transcribed verbatim.

## Data analysis

The interview transcripts were analysed using thematic analysis (Braun & Clarke, 2006). This involved familiarisation with the data, coding of key concepts, and identifying recurring themes related to financial support, systemic barriers, perceptions of privilege, and emotional impacts. A comparative approach was applied to identify both convergent and divergent experiences between the two participants (Yin, 2018).

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