

SUMMARY: Wealth inequality is a barrier to the government's Plan for Change and its mission to fix the NHS. This briefing sets out how and why this is and what the government can do about it.

The gap between the wealthiest and the rest of us is getting worse

Rising wealth has created large gaps between those with wealth and those without it; the wealth gap presents a growing risk to the UK

- While relative wealth inequality has remained stable (the richest 10% still own about 60% of the nation's wealth) over recent decades, the absolute wealth gap has widened dramatically. Soaring asset prices have triggered a massive surge in UK private wealth. Combined with stark disparities in asset ownership, this has led to the absolute gap in wealth between the top 10% and the bottom half of the population growing by nearly 50% between 2011 and 2019. This gap also drives and magnifies other forms of inequality, especially regional divides.

The NHS bears the brunt of health problems rooted in economic precarity

Wealth inequality is creating unfair differences in life expectancy and healthy life expectancy

- The gap in life expectancy between the most and least deprived areas in the UK is around nine years for men and seven years for women, highlighting the profound impact that socioeconomic factors have on health outcomes. Individuals from deprived areas not only have shorter lives but also spend a greater proportion of their lives in poor health. Healthy life expectancy, which measures the number of years lived in good health, is nearly 20 years lower for both men and women in the most deprived areas compared to the least deprived areas.

Wealth inequality is fuelling a vicious cycle of hardship and dysfunction

- Debt burdens can inflict significant strain on individuals, acting as a chronic stressor that triggers adverse mental health consequences like depression and physiological stress responses detrimental to well-being. Grappling with debt-related stress may lead individuals to adopt unhealthy coping mechanisms such as substance abuse or other risky behaviours. Deteriorating health conditions can simultaneously impair people's ability to resolve persistent debt issues, creating a concerning feedback loop with far-reaching implications for individual wellbeing.

Wealth inequality is enabling a two-tier health system

- Large disparities in wealth are creating the conditions for those who have the means to opt out of the NHS, and access faster treatment privately. This exacerbates existing health inequalities between the wealthy and the poor, especially as strains on the NHS lead to increased waiting times and poorer quality care.

Reducing wealth inequality will make it much easier to fix the NHS

There are a number of ways to reduce the level of wealth inequality in the UK, and improve the NHS

- We under-tax income from wealth compared to income from work. There are a range of straightforward ways to tax wealth more fairly and effectively. This would help to raise more revenue to support public services, including the NHS.
- Simplifying the UK's savings system and/or expanding auto-enrolment pensions would help those at the bottom of the distribution build wealth, while mechanisms like community wealth building strategies or cooperative business models would ensure that wealth is better shared. Sharing wealth more widely would have huge impacts on people's mental and physical health.
- Increasing funding for vital public services would reduce the relevance of private healthcare and ensure the long-term support and viability of the NHS and its founding principles. Moving towards a more robust and generous social security system would also improve health outcomes for individuals from disadvantaged backgrounds by tackling some of the causes of ill health.

The public aren't aware of the full scale of wealth inequality

Public awareness of wealth inequality and its impacts are limited, but they do recognise its impacts on people's health

- People have an intuitive sense that wealth inequality is getting worse and is unfair in terms of both its causes and its consequences – even if the true extent of wealth inequality and its impacts on our economy, society and democracy is not widely recognised.

Attitudes are likely to harden as the impacts of wealth inequality become increasingly obvious

- The large and very unequally distributed transfer of inherited wealth that is set to take place over the coming decades will dramatically increase the size of the wealth gap. This will likely undermine popular justifications of wealth being the result of skill or effort.

SUGGESTED PARLIAMENTARY QUESTIONS

- How does the government assess the impacts of wealth inequality on the nation's health and on its mission to fix the NHS, and what measures are being considered to address these impacts?
- What recent discussions has the government had on the relationship between wealth inequality and its Plan for Change, particularly in relation to its mission to fix the NHS?

MORE INFORMATION ABOUT WEALTH INEQUALITY

- We published a *Wealth Gap Risk Register* on Tuesday 15 October, with a [webinar](#) featuring Liam Byrne MP, Sonia Sodha of the Observer and Graham Hobson of the Patriotic Millionaires.
- You can read the *Wealth Gap Risk Register* online at <https://fairnessfoundation.com/risks>, including interactive data visualisations, or download a PDF version of the [full report](#) or the [executive summary](#).