

Sir Keir Starmer
10 Downing Street
London SW1A 2AB

15 October 2024

Dear Prime Minister,

As a group of leaders across civil society, business and academia, we are writing to urge you to take action to mitigate the strategic risks posed by wealth inequality to our country.

The *Wealth Gap Risk Register*, published today by the Fairness Foundation, brings together a wide body of evidence to show how the wealth gap between Britain's richest and poorest households - which is expected to grow further in the coming years - is undermining your government's prospects for achieving its five missions.

While some level of wealth inequality is necessary to incentivise the wealth creation that supports economic growth, the large and growing wealth gap in today's Britain is more the product of wealth extraction than of wealth creation, and it has reached a level where it actively undermines growth and productivity.

Wealth inequality makes it harder to deliver safer streets, by undermining social cohesion, which was a factor in this summer's riots. It also makes it harder to break down barriers to opportunity, in part because the same extractive mechanisms that drive high levels of wealth inequality, such as financial manipulation and corporate profiteering, also increase the number of people in poverty.

Wealth inequality undermines our ability to reach net zero, by increasing our carbon emissions through excessive consumption and by enabling the wealthy to lobby successfully against ambitious decarbonisation measures. It also worsens people's mental and physical health, increasing pressure on the NHS.

There is a broad range of affordable, evidence-based, effective and popular ways to reduce the risks caused by wealth inequality. As a first step, the Government's forthcoming budget should deal with the most obvious ways to better tax wealth, such as equalising tax rates on capital gains with tax rates on employment income, and pushing through with your plans to scrap the 'non-dom' tax regime.

Additionally, the upcoming review of national resilience led by the Chancellor of the Duchy of Lancaster should explore the strategic risks posed by wealth inequality, and the Communities and Recovery Steering Group chaired by the Deputy Prime Minister should consider the relationship between challenges to social cohesion and wealth inequality.

While individual government departments each have a critical role to play, we believe that strong leadership from the centre of government is necessary, given the cross-cutting nature of this issue - with the causes and consequences of wealth inequality spanning multiple departments - and its impact on all five of your missions.

The Fairness Foundation's report sets out a wide range of evidence-based recommendations for both reducing wealth inequality and stemming its negative impacts, including clamping down on our poorly regulated lobbying industry and strengthening competition laws. We encourage you to take bold action today.

Yours sincerely,

Will Snell, Chief Executive, Fairness Foundation

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