

**SUMMARY: Wealth inequality is a barrier to the government's Plan for Change and its opportunity mission. 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

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**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.

## Access to opportunity is increasingly determined by wealth (or lack of wealth)

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**Wealth inequality exacerbates insecurity and limits opportunity**

- Labour recognises that 'greater opportunity requires greater security'. Wealth disparities are driving economic insecurity, from a broken housing system and stagnant wages facilitated by extractive corporate behaviour to poorly funded public services and unequal health outcomes. These barriers limit access to resources, education, and career opportunities.

**Wealth inequality enables opportunity hoarding**

- More so than in other countries, wealth in the UK can buy you advantage and influence. The UK's private school system stands out due to its exclusivity and substantial resources. Affluent families pay high fees, resulting in significantly more funding per pupil compared to state schools. This disparity translates into better outcomes for privately educated students.

**Wealth inequality reflects and perpetuates other inequalities**

- Many minority ethnic households own substantially less wealth than their white British counterparts; a typical person from a Bangladeshi, black Caribbean or black African background has no significant wealth, in contrast to the typical white Briton, who has a household net worth of £140,000. A significant wealth gap also exists between genders, with men having on average £100,000 more than women, especially among older age groups. The UK is the most spatially unequal advanced economy, with the North of England housing 30% of the population but only 20% of the nation's wealth. And younger generations are accumulating wealth at much slower rates than older generations.

## Reducing the wealth gap would unlock a more dynamic and innovative society

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### There are a number of ways to reduce the level of wealth inequality in the UK, and mitigate its impact on social mobility

- Ambitious policies like a citizens' capital grant would promote greater social mobility by offering individuals a financial foundation, enabling them to invest in education, entrepreneurship, or other wealth-building activities. This could help level the playing field and foster a more dynamic and inclusive economy.
- In addition to removing tax exemptions for private schools, there are other ways of reducing educational inequalities. Introducing a quota system reducing the proportion of private school students accepted to universities would reduce the benefits associated with private schooling, and help disadvantaged students.
- Moving towards a more robust and generous social safety system would make private wealth less relevant. It would create a more level playing field, allowing individuals from all economic backgrounds to pursue opportunities and improve their life chances. This approach would also foster social cohesion and reduce tensions associated with high levels of wealth concentration.

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

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### Public awareness of wealth inequality and its impacts are limited, but they do recognise its impacts on social mobility

- 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 skill or effort.

### SUGGESTED PARLIAMENTARY QUESTIONS

- How does the government assess the impacts of wealth inequality on its opportunity mission, and what specific measures are being considered to address the impacts of wealth inequality on social mobility?
- What recent discussions has the government had on the relationship between wealth inequality and its Plan for Change, particularly in relation to its opportunity mission?

### 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](#).