Wealth Gap Risk Register

15 October 2024

Jack Jeffrey and Will Snell

EXECUTIVE SUMMARY

About this report

This report sets out the evidence base for the ways in which wealth inequality in the UK damages our economy, society, democracy and environment, and the risks that these negative impacts will increase in the coming years as wealth inequality continues to increase in absolute terms. It also looks at the evidence base for the policy solutions that will either reduce the wealth gap or mitigate its impacts on other areas, and at the evidence on public attitudes to both the problem and the solutions (including new polling and focus group research on public understanding of the impacts of wealth inequality).

The online version of this report is at https://fairnessfoundation.com/risks.

About the authors

Jack Jeffrey is a Researcher at the Fairness Foundation. He has experience conducting and coordinating research across a range of issues, particularly constitutional reform, polarisation and social stratification, and green industrial strategy. He has worked for several NGOs, think tanks and trusts, contributing to all stages of the research process and has authored multiple reports. He joined the Fairness Foundation in April 2024 and leads on its wealth inequality work.

Will Snell is Chief Executive of the Fairness Foundation. He set up the organisation in 2021, after several years working on tax justice campaigns in the UK and overseas with the Tax Justice Network and as the founding Director and then Chair of Tax Justice UK, and following a period as interim Chief Operating Officer at Global Witness, a human rights and climate nonprofit. Earlier in his career, Will worked in government as a Fast Stream civil servant, first at the Department for Health and then the Department for International Development, as well as working on the cross-government resilience programme led by the Cabinet Office. He left government in the late 2000s to set up a social enterprise in Kenya before joining a global health NGO, Development Media International, as Director of Strategy and Development. Will has served on nonprofit boards for over 20 years and is a Fellow of the Academy of Social Sciences.

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 lack a shared vision of a good society, but we believe that we can build a consensus around the need to reduce all forms of inequality substantially, because today’s unequal society is inherently unfair. We work to achieve this consensus by making three linked arguments to politicians and other decision-makers and influencers:

- Building and popularising a vision for a fairer Britain that can attract broad support (the *moral* case)
- Demonstrating that the public are more concerned about inequality and supportive of action by government to tackle it, and less divided in their views, than we think that they are (the *political* case)
- Showing that tackling inequality must be a national priority, by promoting evidence of the various ways in which different forms of inequality not only reinforce each other, but also undermine sustainable economic growth, social cohesion, democracy and action on net zero (the *policy* case)

Executive summary

Britain is a wealthy country, but its wealth is increasingly concentrated in few hands. While wealth inequality has remained fairly stable in relative terms over recent decades (with the richest 10% owning about 60% of the UK's wealth), substantial rises in the value of assets have dramatically increased the absolute wealth gap between the richest and poorest households to a level that is second only to the USA, among OECD countries. As a result, wealth – or its absence – has a bigger impact on people's lives than ever before, from their housing to their health.

The fact that much wealth is unearned raises serious questions of fairness, but the size of the wealth gap also has demonstrably negative impacts on our economy, society, democracy and environment. Contrary to the orthodox idea that inequality is necessary for a dynamic economy, growing evidence suggests that wealth stratification undermines productivity and growth. It also reduces social cohesion, damages faith in democracy, and makes it harder to reach net zero. What's more, as the size of the wealth gap is forecast to grow over the coming decades, the risk is that these existing impacts, which also exacerbate each other, will only get worse over time.

There is limited policymaker and public understanding of the causal relationship between the wealth gap and these negative 'spillover effects', so this report sets out to communicate the evidence base as clearly and concisely as possible through a range of powerful and accessible data visualisations. The report also looks at the evidence base for the policy solutions that will either reduce the wealth gap or mitigate its impacts on other areas, and at the evidence on public attitudes to both the problem and the solutions (including new polling and focus group research on public understanding of the impacts of wealth inequality).

Why wealth inequality is a risk

When we think about identifying and mitigating risks, there's a natural tendency to focus on immediate symptoms rather than underlying causes. At a governmental level, the UK's national risk register has recently narrowed its focus to 'acute' risks ("discrete events requiring an emergency response", such as terrorism and natural disasters), sensibly placing 'chronic' risks ("long-term challenges that gradually erode our economy, community, way of life, and/or national security", such as the climate crisis or antimicrobial resistance) into a separate chronic risk register, which is currently in development[1]. But it does not automatically follow that the underlying causes, the structural factors that create or exacerbate many risks, will receive the attention that they deserve.

We think that inequality, especially wealth inequality, is a significant driver of strategic risk to the UK as a whole, and that this is seriously underpriced – by politicians and officials, by the private sector, and by all of us. Wealth inequality seriously exacerbates a wide range of arguably existential risks, such as social unrest, failure to act on the climate crisis, economic stagnation and the decline of democracy. And wealth inequality is a major risk to the achievement of all five of the government's missions.

This report is called the *Wealth Gap Risk Register*. This arguably understates the problem, because the negative impacts of wealth inequality aren't just hypothetical future risks, but rather impacts that have already been realised. However, there are plenty of reasons to expect that the wealth gap in the UK will continue to widen over the coming years, so the obvious risk is that each of these existing impacts worsens over time. And since many of these impacts interact and reinforce each other, just as different forms of inequality intersect and exacerbate each other, it is not unrealistic to speculate that we could see the negative impacts of wealth inequality snowballing in the UK over the next couple of

[1] Cabinet Office (2023), National Risk Register

decades, and beyond, if action is not taken to reduce the wealth gap or to mitigate its impacts (or ideally both).

The argument in a nutshell

Rising wealth has created large gaps between those with wealth and those without it. While wealth inequality (understood in relative terms, as measured by the Gini coefficient) has remained relatively stable over recent decades (albeit at a much higher level than income inequality), the wealth gap (the absolute difference in wealth between rich and poor households) has increased significantly, because of rising asset values, and is likely to get worse. The size of the absolute wealth gap in the UK is second only to the US, among OECD countries.[2]

Differences in wealth between generations are also at unprecedented levels. While most of the 20th century saw each generation accumulating more wealth than their predecessors, this trend has stagnated or reversed since the baby boomers and is gathering speed in the wrong direction.[3]

The transformation of the UK economy towards asset control and rent-seeking behaviour – away from wealth creation towards wealth extraction – has consolidated resources into fewer hands and shifted economic activity away from productive enterprise.[4] This has concentrated UK markets, restricted innovation and technological progress, reduced economic dynamism, and severely limited economic growth and the prospects for future growth. Whereas wealth creation increases the size of the cake, wealth extraction simply gives more of the existing cake to those who already have the biggest slice (upwards rather than downwards redistribution), and sometimes it makes the cake smaller at the same time.[5]

Much wealth in UK is unearned, flying in the face of the dominant meritocratic political and media narrative that justifies the accumulation of wealth as a consequence of effort and talent. The large increase in asset prices over the past decades has largely been the result of passive factors.[6] According to the most recent statistics, inheritance and gifts have doubled over the past two decades to £100 billion, and are expected to double again by 2040.[7] Wealth transfers between generations will likely exacerbate existing social and economic inequalities. People's life prospects weren't very fairly distributed when they were mostly defined by what they earned; today, when what people own (or inherit) is much more important in influencing their life chances than what they earn, the situation is even less fair.

While there is limited public awareness of the ways in which wealth inequality undermines economic growth, and the meritocratic mindset retains a strong grip on worldviews, most people have an intuitive understanding that the increasing wealth gap is unfair in terms of both its causes and its consequences. Indeed, the growing level of popular disengagement and distrust with politics is in part driven by this awareness, and is already damaging our democracy and social cohesion, with a real risk of much worse to come in the future.

The problem is solvable. Shifting the UK's tax burden towards wealth could curb today's excessive levels of wealth concentration. Reforming existing taxes on wealth would be more politically feasible than introducing a new wealth tax, but less effective at tackling wealth inequality. But taxing wealth is not the only means to curb the wealth gap. Governments can share wealth more broadly at source, through mechanisms like sovereign wealth funds or regulatory approaches such as mandating worker representation on company boards. And there are many opportunities to mitigate the impacts of the wealth gap, such as cleaning up lobbying and political donations, or strengthening the social

---

[2] Broome, M et al, (2022), Arrears Fears: The distribution of UK household wealth and the impact on families, Resolution Foundation

[3] Sturrock, D, (2023), Wealth and welfare across generations, Institute of Fiscal Studies

[4] Christophers, B, (2019), *Rentier Capitalism: Who Owns the Economy, and Who Pays for It?*, Verso

[5] Lansley, S, (2023), *The Richer, The Poorer: How Britain Enriched the Few and Failed the Poor. A 200-Year History*, Policy Press

[6] Broome, M et al, op cit

[7] Goss, D et al, (2024), A New Age for Inheritance: What does it mean for the UK?, Demos

safety net. Case studies from other countries provide a host of practical, popular and evidence-based approaches to curbing wealth extraction and promoting inclusive and sustainable economic growth.

What's going on with the wealth gap?

Private wealth in the UK has experienced a remarkable surge in recent decades, with total household wealth more than doubling in recent years, from around three times national income in the 1980s to almost eight times national income today (£14.6 trillion).[8] This explosion in wealth has been largely driven by passive factors, such as substantial increases in asset prices (which account for over 50% of wealth accumulated since 2006-08).[9]

Francis Bacon, who coined the aphorism that "wealth is like muck – only good when it is spread", would not be impressed by the extent to which this wealth is shared across the population. The distribution of wealth in the UK is much more unequal than income. This stark contrast is vividly illustrated by the Gini coefficient. Income inequality in the UK hovers around 35 on the scale (where zero represents perfect equality and 100 perfect inequality), but wealth inequality often surpasses 70 on the same scale, largely because wealth can be built up incrementally and over long periods.

Britain is not a complete outlier in this regard. Like other European nations, it experienced a dramatic decline in wealth inequality during the 20th century. Between 1900 and the mid-1980s, the share of total wealth held by the top 1% fell from roughly 70% to 20%.[10] Since then, wealth inequality has remained relatively stable, with the richest 10% of families consistently owning just over half of total wealth, in line with the OECD average.[11] However, a dramatic rise in asset prices, coupled with huge disparities in asset ownership, has led to a substantial increase in the absolute gap in wealth between households. The gap in total wealth between the top 10% and bottom 10% in the UK increased by 48% between 2011 and 2019 (from £7.5 trillion to £11 trillion), while the equivalent gap between the top 10% and the middle 10% increased by 49% (from £7.3 billion to £10.8 billion).[12] As well as growing over time, the UK's wealth gap is high by international standards; the size of the absolute gap between the wealthiest 10% in the UK and the bottom 40% is second only to the US, among OECD countries.[13]

Wealth inequality also drives and magnifies inequalities across multiple other axes. 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.[14] This stark divide highlights deep-rooted historical and ongoing inequalities and discrimination, including (but by no means limited to) opportunities to accumulate wealth through home ownership. There is also an average wealth gap of over £100,000 between men and women, with an even larger divide among older age groups.[15] Furthermore, wealth entrenches longstanding regional divides in England; the North is home to 30% of the population but only 20% of its wealth.[16] These imbalances not only reflect historical inequalities but also perpetuate and deepen them over time.

---

[8] Broome, M et al, (2022), Arrears Fears: The distribution of UK household wealth and the impact on families, Resolution Foundation

[9] Broome, M et al, op cit

[10] Piketty, T, (2014), *Capital in the Twenty-First Century*, Harvard University Press

[11] OECD, (accessed 8 Oct 2024), OECD Wealth Distribution Database

[12] Tippet, B (2024), Measuring the Wealth Gap, Fairness Foundation

[13] Broome, M et al, op cit

[14] Karagiannaki, E, (2023), The scale and drivers of ethnic wealth gaps across the wealth distribution in the UK: evidence from Understanding Society, LSE

[15] Pinto, I, (2023), Why taxation of wealth is a feminist issue: A gendered analysis of wealth in Great Britain, Women's Budget Group

[16] Parkes, H et al, (2024), Supporting the Status Quo: How the Taxation of Wealth in the UK Grows Regional Divides, IPPR

People accumulate wealth throughout their lives. Naturally, older people will have more wealth than younger people. However, the significant disparities in wealth between generations exceed what might be anticipated from age differences alone. For most of the 20th century, each successive generation accumulated more wealth than the last, but starting with the post-war 'baby boomers,' each subsequent generation has amassed less wealth than the previous one did at the same age. According to the most recent statistics, people born in the 1980s had 20% less wealth in their early thirties than those born in the 1970s.[17]

What are the impacts of the wealth gap?

Many people lack a crucial financial safety net, with nearly a quarter of Britons either devoid of assets or grappling with debt. The poorest half of the population controls a mere 9% of the nation's total wealth, and the poorest 10% of households have a total net worth (including work pensions, vehicles, and household items, as well as financial and housing wealth) of £15,400 or less.[18] For many, physical possessions are their only form of wealth, leaving them vulnerable to unexpected events. Around one in twenty households have negative net financial worth.

Living without the stability of some form of financial cushion has significant **health** consequences, particularly for people's mental wellbeing. People in debt are three and a half times more likely to experience mental health issues, such as depression, anxiety and stress, than those without financial difficulties.[19] This can create a feedback loop whereby financial difficulties exacerbate someone's mental health problems, and poor mental health worsens their financial situation.[20] While the data on inequalities of healthy life expectancy and overall life expectancy is based on measures of deprivation that do not explicitly include wealth[21], there are a range of indirect links between wealth inequality and physical health that suggest that the relationship is more likely to be causal than simply correlational.

Wealth also provides **opportunities**. The UK has a highly stratified education system. There are many ways in which the wealthy can buy advantage for their children, obstructing social mobility, from sending them to private schools to buying private tutors and sharing access to 'social capital'.[22] And the absence of wealth is a direct barrier to opportunity, with deprived children on average 19 months behind their peers by the time they take their GCSEs; wealth inequality is a structural driver of this educational inequality, as explored in our earlier report, *Deepening the Opportunity Mission*.[23]

Contrary to the orthodox idea that inequality is necessary for a dynamic economy, growing evidence suggests that wealth concentration significantly undermines productivity and **growth**.[24] A lack of wealth creates barriers that prevents people from fully participating in the economy. This limits the potential pool of talent and innovation that contributes to economic growth. It can especially limit entrepreneurship, since wealth allows people to take the risks that are an inevitable part of building a new business. More broadly, an economy that is more focused on wealth extraction than wealth creation leads to much higher levels of financial engineering and speculation at the expense of investment in productive enterprise, which has a chilling impact on innovation, dynamism, productivity and growth.[25]

---

[17] Sturrock, D, (2023), Wealth and welfare across generations, Institute of Fiscal Studies

[18] ONS, (accessed on 8 Oct 2024), Household total wealth in Great Britain: April 2018 to March 2020

[19] Money and Mental Health Policy Institute, (accessed 8 Oct 2024), The Facts: What You Need to Know

[20] Jiménez-Solomon, O et al, (2024), When money and mental health problems pile up: The reciprocal relationship between income and psychological distress in *SSM – Population Health*

[21] Raymond, A, (2024), Health Inequalities in 2040: Current and projected patterns of illness by deprivation in England, The Health Foundation

[22] Reeves, A et al, (2024), *Born to Rule: The Making and Remaking of the British Elite*, Harvard University Press

[23] Field, M, (2024), Deepening the Opportunity Mission, Fairness Foundation

[24] Boushey, H, (2019), *Unbound: How Inequality Constricts Our Economy and What We Can Do about It*, Harvard University Press

[25] Mazzucato, M, (2019), *The Value of Everything: Making and Taking in the Global Economy*, Penguin

These practices also perpetuate a cycle of precarity and disadvantage. Private equity acquisitions often prioritise short-term gains over long-term company viability and employee wellbeing, and rising corporate profits are used to boost executive rewards rather than wage increases or productivity enhancements. Combined with policies to suppress the power of trades unions, these mechanisms entrench hardship and poverty.[26]

The recent surge in housing wealth has had complicated impacts. Before the 1980s, housing wealth worked to compress wealth differences, strengthening household capital formation and spreading it more equally. Since then, housing wealth has been a mechanism by which wealth disparities are exacerbated.[27] While many homeowners have seen their wealth increase in recent decades, this trend has also created two big problems. Firstly, there has been a notable shift in investment patterns, with a disproportionate amount of capital flowing into housing rather than more productive sectors of the economy. The UK has one of the lowest levels of business investment in the developed world, contributing to its persistent productivity problem.[28] Secondly, the rising cost of housing has put significant pressure on household budgets, reducing consumer demand in the wider economy. Millennials spend around 28% of their post-tax income on housing costs[29], whereas people of a similar age in the 1960s and 1970s typically spent 5-10% of their income on housing.[30] The poorest fifth of households now spend over 39% of their income on housing costs, up from 30% two decades ago.[31]

All of this not only make us less prosperous, less dynamic, and less innovative; it also leaves the UK more exposed to social and democratic decline. The social contract has been shattered by a combination of widespread poverty, a pervasive sense of insecurity among people most of the way up the income and wealth spectrum, and a concentration of wealth at the top of society. There is growing awareness not only of the scale of wealth inequality, but also of its unfair causes and its objectionable and damaging consequences, not least the way in which it undermines our democracy because of the numerous ways in which wealth can be used to wield political influence and power (as well as the other very obviously anti-social ways in which the wealthy often spend their money). Those with less wealth in the UK are more likely to believe they have no political influence and are much less likely to vote and participate in politics.[32] Wealth inequality enables populists to harness popular resentment towards the wealthy so as to undermine faith in democracy, leading to a loss of state legitimacy. Sometimes this leads to political violence; it certainly seems likely that wealth inequality was an aggravating factor in the summer riots of 2024. Wealth inequality can thereby drive people towards more extreme political positions, damaging social cohesion and trust in politics, and increasing the risk of social unrest and, eventually, societal breakdown. There is also a strong positive correlation between wealth inequality and **crime** rates.[33]

Wealth inequality presents a barrier to the achievement of **net zero**. People in the wealthiest 1% of UK society emit 25 times more carbon dioxide equivalent emissions per head than people in the poorest 10%[34], and consume vastly

---

[26] Tippet, B, (2022), The Effect of Labor's Bargaining Power on Wealth Inequality in the UK, USA, And France in *The Review of Income and Wealth*

[27] Muellbauer, J, (2023), How does the housing market effect wealth inequality?, Economic Observatory

[28] Dibb, G, (2023), Now is the time to confront UK's investment-phobia, IPPR

[29] ONS, (accessed 8 Oct 2024), Private rent and house prices, UK: August 2024

[30] Corlett, A et al, (2017), Home Affront: housing across the generations, Resolution Foundation

[31] Department for Levelling Up, Housing and Communities, (accessed 14 August 2024), English Housing Survey 2022 to 2023

[32] Patel, P et al, (2023), Who decides? Influence and inequality in British democracy, IPPR

[33] De Courson et al, (2021), Why do inequality and deprivation produce high crime and low trust? in Scientific Reports

[34] Fairness Foundation (accessed 8 Oct 2024), Fairness Index

more resources. A 1% rise in the wealth share of the top 10% corresponds to a 0.67-0.84% increase in CO_2e emissions.[35] Meanwhile, the wealthy, whose financial interests (notably investments) are often closely aligned to those of fossil fuel industries, can use their influence on politics to block or water down action to reduce emissions. The impacts of wealth inequality on poorer households also make it harder to secure public support for an ambitious programme of decarbonisation.

Finally, the UK's institutional context makes wealth inequality much more harmful than in other countries with similar levels of wealth inequality but much better guardrails around it. For example, many Scandinavian countries have a significant wealth gap but have robust measures in place to reduce the ways in which wealth can be used to influence politics or otherwise hoard privilege, and to increase the services, protections and opportunities provided to everyone in society. The UK does not.[36]

What do people think about the wealth gap?

Wealth is now arguably the most important economic dividing line in the UK. Despite its crucial role in shaping life chances and society generally, public awareness of wealth inequality and understanding of its impacts remain limited and fragmented.

Multiple studies have found that the public consistently underestimates the extent of economic inequality, especially wealth inequality. Generally, people overestimate the wealth of the poorest decile and underestimate the wealth of the top decile. Why? Our perception of the world is heavily influenced by our immediate surroundings and social circles, which are generally more homogenous (and therefore more equal) than national distributions. As a result, our understanding of economic disparities is primarily shaped by our local experiences and observations, limiting understanding of wider societal differences.

It follows that understanding of how the economy works is low. Research by NEON[37] found that there is an intuitive understanding among the general population that the UK economic system is inherently 'rigged'. While people have a general sense of economic unfairness, they lack detailed understanding of the specific mechanisms and actions employed by wealthy elites to maintain and perpetuate this imbalanced system. This is not to say that people aren't aware of, and worried about, some of the negative impacts associated with wealth inequality. Polling that we carried out for this report finds that crime, the cost of living, and poor mental health are strongly linked in people's minds with the negative impacts of wealth inequality. There is much less awareness of the negative impacts of wealth inequality on growth, democracy, net zero and the tax system (although these issues were raised unprompted in follow-up qualitative research, as outlined in the attitudes section of this report).

These views often go hand in hand with underlying mindsets and worldviews that legitimise wealth inequality as the inevitable and even desirable by-product of a meritocratic system. The UK public has a high tolerance for wealth that has been earned through skill and hard work, and polling shows that people overplay the role of merit and undervalue the role of luck in influencing life outcomes. Wealth is often perceived as an 'achieved' and therefore legitimate attribute – a view that is enthusiastically promoted by a well-funded 'wealth defence' industry that lobbies hard to suggest that any measures to reduce wealth inequality are not only morally suspect but will damage growth and tax revenues, its arguments magnified by a media that is largely owned by wealthy beneficiaries of the status quo. In reality, however, about 60% of all private wealth in the UK is inherited rather than accumulated through work, and inherited wealth is becoming ever more important in determining people's life chances and outcomes. 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, which is likely to harden public attitudes towards wealth inequality.

---

[35] Knight, K et al, (2017), Wealth Inequality and Carbon Emissions in High-income Countries in Social Currents

[36] Beckert, J, (2023), Varieties of wealth: toward a comparative sociology of wealth inequality in Socio-Economic Review

[37] NEON, New Economics Foundation, Frameworks Institute and PIRC (2018), Framing the Economy

What can we do about the wealth gap?

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. There is clear public support for tax increases to fall on wealth rather than income.[38]

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.[39] 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 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.[40]

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, as outlined above, 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.

The challenges posed by the wealth gap in the UK are significant and increasing, but not insurmountable. With sufficient political determination, a range of effective policies, regulations, and reforms can be sold to the public and implemented to address the risks posed by the wealth gap. These policies can support wealth creation, the reward of effort and a strong social contract, while reducing wealth extraction, the reward of unearned privilege and the gutting of public services and the social safety net.

However, left untouched, the wealth gap and its negative impacts on our economy, society, economy and environment will intensify over the coming years to the point where they could spiral out of control. As such, the wealth gap is a strategic risk to the UK, and it requires a multifaceted response across government, alongside the private sector and civil society. In the absence of such a response, the evidence cited in this report suggests that, contrary to what D:Ream promised, things can only get worse.

[38] Murphy, R, (2024), Taxing Wealth Report

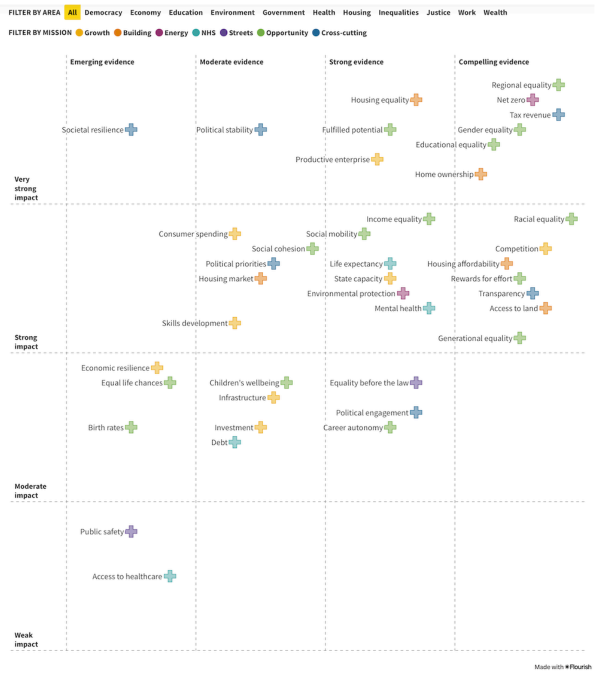
[39] Advani, A et al, (2019), A Wealth Tax for the UK, Wealth Tax Commission

[40] Brynjolfsson, E, (2022), The Turing Trap: The Promise & Peril of Human-Like Artificial Intelligence in Daedalus

Online resources

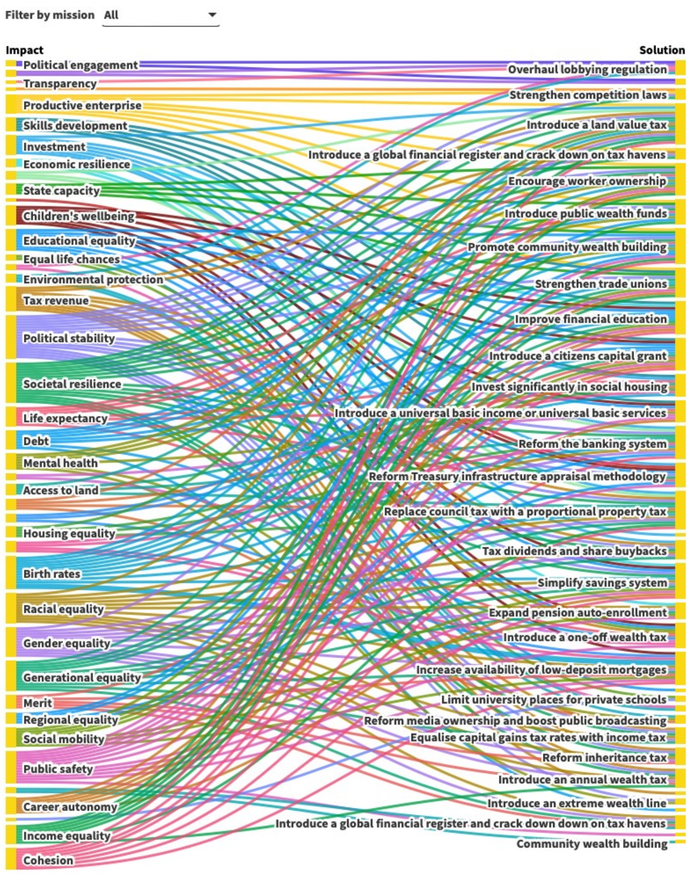
The online version of this report includes a range of interactive data visualisations:

Impacts of the wealth gap

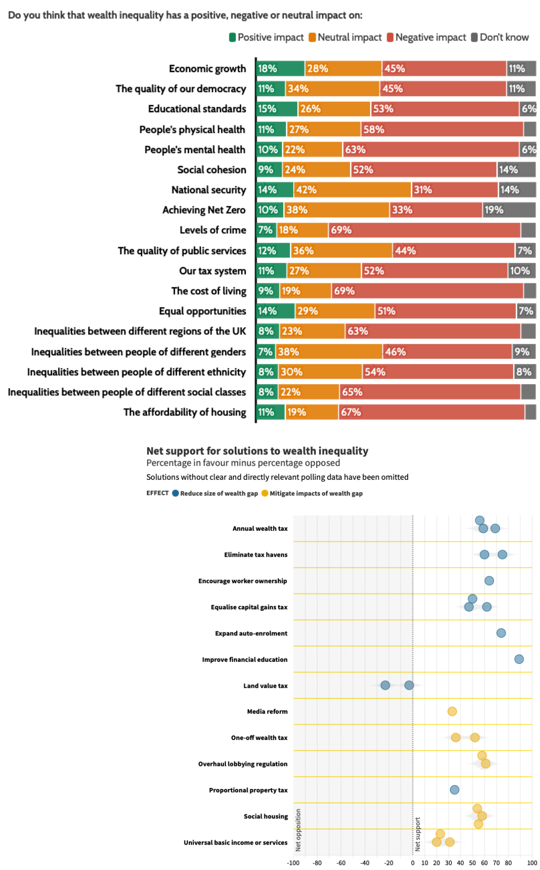


Solutions to the wealth gap

Mapping impacts to solutions



Attitudes to the wealth gap



www.fairnessfoundation.com

mail@fairnessfoundation.com

Charity #1044174 | Company #02912767

Stephen Lawrence Centre, 39 Brookmill Road, London SE8 4HU

All content published under the Creative Commons Attribution-
NonCommercial-ShareAlike 4.0 International Licence (CC BY-NC-SA 4.0)