

The Equality Trust Wealth Tracker 2015

Wealth in Britain

The UK today is one of the developed world's most unequal nations, with the richest 1,000 people owning more wealth than 40% of the population, or 25.6 million people.

In the last year the combined wealth of Britain's 1,000 richest people increased by £28.151 billion to a colossal £547 billion. The wealth of the ten richest people alone increased by £3.25 billion. According to statistics from the ONS, the richest 1% of households in the UK now holds more wealth than over half of the population.

The effects of this inequality are everywhere. As research has proven, more unequal societies such as the UK suffer from poorer physical and mental health, lower life expectancy, higher rates of violent crime, poorer educational outcomes, and lower levels of trust. And new evidence from the IMF, OECD and other sources suggests our extreme inequality may also damage our economy too.

Our Wealth Tracker aims to demonstrate the scale of inequality by showing how the huge increase in wealth of the richest in society compares to recognisable household items and bills, and to the wealth of the rest of us. In doing so it also highlights what the equivalent financial value of this wealth might provide if it was used in a more equitable way.

Inequality has stretched our society to breaking point, with vast material differences creating huge social distances. It's why over 80% of people are now concerned about the gap between rich and poor, and why even billionaires such as Bill Gates and Warren Buffett have voiced concerns over inequality. But inequality isn't inevitable, it can be reversed. For this to happen we need our politicians to commit to its reduction. That's why we are calling on all political parties seeking to form the next government to adopt inequality reduction as a key objective.

Britain's Richest in Numbers

How has wealth changed?

The wealth of the richest 1,000 people in Britain is £547 billion. This is more than the combined wealth of the poorest 40% of UK households¹ (£452 billion).

Last year the wealth of the richest 1,000 people increased by £28.151 billion, or:

- £892.55 per second, or
- £77.126 million per day.

The wealth of the 100 richest people in Britain is now £307.9 billion, an increase of £10.78 billion in the last year. This is an increase of:

- 3.6 per cent, or
- £341.63 per second, or
- £29.52 million per day.

The richest 10 people saw their wealth increase by £3.25 billion to a total of £99.87 billion.

What is this wealth equivalent to?

The total wealth of the 1,000 richest people:

- Is significantly more than the wealth of the poorest 40 per cent of households (£452.578 billion), or around 25.6 million people.
 - Is equivalent to the value of 2,041,515 houses at the average UK cost of £268,000 or 1,116,584 homes in London at an average London price of £490,000 each².
-

What could last year's increase in wealth for Britain's 1,000 richest people pay for?

The increase in wealth of the richest 1,000 people in Britain last year was £28.151 billion. This could:

Low pay and unemployment

- Pay for 1,889,963 Living Wage jobs for a year³, or 1,035,154 jobs paid at an average salary⁴. **Cost = £28.151 billion**

Food poverty

- Pay 20 years' worth of grocery bills for all of the UK's users of food banks⁵. **Cost = £27.64 billion.**

Fuel poverty

The increase in wealth of the richest 1,000 people in Britain last year could:

- Pay 9 months' worth of energy bills⁶ for all 26.7 million UK households⁷. **Cost = £26.9 billion AND**
- Pay off the current fuel poverty gap of £1.01 billion. This would effectively lift 2.28 million households out of fuel poverty⁸. **Cost = £1.01 billion**

Housing crisis

The increase in wealth of the richest 1,000 people in Britain last year could:

- Buy houses for all homeless people living in London⁹. **Cost = £3.2 billion**
 - Pay a year's rent for over 2.5 million households (2,555,465 households)¹⁰. **Cost = £28.151 billion OR**
 - Pay everybody's council tax bill for a year¹¹. **Cost = £24.3 billion**
-

Methodology

1. All estimates of wealth of the 1,000 richest people are based on those published in the Sunday Times Rich List 2015. The 1,000 richest in Britain, according to The Sunday Times Rich List, are worth £547.126 billion.

The measurement of UK household wealth can be found here:

<http://www.ons.gov.uk/ons/rel/was/wealth-in-great-britain-wave-3/2010-2012/report--chapter-2--total-wealth.html>

2. Each year there are new entrants to the Sunday Times Rich List, and those that leave. As such, our comparisons do not measure the wealth of 1000 specific individuals one year compared to the same individuals' wealth the following year. Instead, we look at how the wealth held by the group comprising the richest 1000 people compares to the wealth held the following year by that year's group of 1000 richest people.

Sources

- 1 <http://www.ons.gov.uk/ons/rel/was/wealth-in-great-britain-wave-3/2010-2012/report--chapter-2--total-wealth.html>
- 2 <http://ons.gov.uk/ons/rel/hpi/house-price-index/february-2015/stb-february-2015.html>
- 3 Salary of Living Wage worker, assuming a 37.5 hour week and zero pay for bank holidays: £14,895
- 4 Full time employees average annual pay = £27,195, this does not include NI and pension contributions. (ASHE, Nov 2014, median gross annual earnings) <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-337425>
- 5 The Trussell Trust reported 1,084,604 user visits (although not unique users) to food banks in 2014-15. <http://www.trusselltrust.org/stats> Taking one person's average annual food cost of £1,274 (average weekly food spend of £58.80, divided by average number of people in household and multiplied by 52 weeks in a year) the annual grocery bill for these users would be £1,381,785,496.
- 6 Combined average gas and electricity bill, 2014 = £1,344 (DECC figures, March 2015, p8) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/415778/gep_mar_15.pdf
- 7 (ONS Families and Households stats from Jan 2015) <http://www.ons.gov.uk/ons/rel/family-demography/families-and-households/2014/families-and-households-in-the-uk--2014.html>
- 8 (DECC Annual Fuel Poverty Statistics Report, 2014) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/319280/Fuel_Poverty_Report_Final.pdf
- 9 This uses the latest rough sleeping figures from Crisis: <http://www.crisis.org.uk/pages/rough-sleeping.html>
- 10 The average UK rent for tenancies in March 2015 was £918pcm, which is a yearly rent of £11,016. There are 8.3 million households that rent <http://www.ons.gov.uk/ons/rel/census/2011-census/detailed-characteristics-on-housing-for-local-authorities-in-england-and-wales/short-story-on-detailed-characteristics.html>
- 11 The overall council tax requirement for England for 2015-16 is £24.3 billion https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416967/150325_Council_Tax_Stats_Release_March_2015_-_final.pdf (p8)