

Latest survey shows wealth and poverty side-by-side across Britain

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The first major British social survey of the year was released last month. The figures, compiled in the "Wealth of the Nation" report by marketing and demographic specialists CACI, reveal an ever-widening income gap between rich and poor. A striking element of the survey is its indication of how close the areas of extreme wealth and poverty are situated to each other—sometimes only a matter of a street away.

The CACI figures, based on a survey of four million households, claims to be the largest and most comprehensive study of household income in the UK. It claims to be a better indicator of the financial health of Britain than traditional measures such as unemployment indices and movements in house prices. It shows that average household income in the UK has risen in the past four years, and now stands at £23,200, up 19.6 percent since 1996. A closer look at the rise, which loosely coincides with Labour's term in office, reveals a general trend in which the richer areas have gained even greater wealth, while leaving the poorer parts of the country further behind, and with areas reliant on farming and manufacturing gaining least.

The supposed "north-south divide" has once again proven too simplistic a schema to describe the country's differing income distribution, with the poorest regions being located in the southwest, East Anglia and Wales, as well as the north. The poorest county is Cornwall in the southwest, which along with the Isles of Scilly has an average household income of £17,700.

The ten richest counties, however, are all in the south, with London and its surrounds dominating the top ten ranking. Household income in Surrey (the richest county, with an average income of £33,400) rose by 12 percent over the past two years, well above inflation, while Cornwall's £17,700 represents a rise of just 1.7 percent, well below inflation, now standing at 3.2

percent. Surrey's average household income is fully 88 percent higher than the level in Cornwall.

Within individual counties there are huge disparities, which the study highlights by providing a breakdown of income by postcode. Merseyside, although one of the poorest counties, contains the seventh richest neighbourhood in the UK—Heswall in the Wirral, where the average household income is £46,600. Nearby Liverpool has four of the 10 poorest postcode areas, with an average income as low as £9,100 in the city's Vauxhall, Central, Seaforth and Kirby districts.

At the other end of the income scale, residents in London's "W" (West) postcode top the league, followed by Kingston upon Thames, South West London, Slough and Guildford. Amongst the lowest by postcode were Sunderland, Truro, the Outer Hebrides, Plymouth and Sheffield, all with average incomes below £19,000.

The survey also found some deprived areas apparently experiencing a revival. One of Britain's poorest boroughs, Hackney, north-east London, saw a 22.5 percent income growth in two years—taking its average to £26,000. However, this can largely be ascribed to the "gentrification" of certain areas within the borough, with professional and middle-class people moving in after finding property prices in neighbouring Islington too high. Even in Islington, affluence and poverty can be found side by side. One postcode in the Highbury area enjoys an average household income twice as high as one less than 100 metres away.

The high earners living in West London districts such as Mayfair, Bayswater and Notting Hill, with an average income of £34,200, up 13.4 percent since 1998, is where many residents work in sectors such as IT, financial services and consulting at professional and higher executive levels. The area with the highest

earnings by postcode sector (defining a relatively small area) is found in South Kensington, London, where average household income is £47,700.

"The average levels of household income in the north are biased by the pockets of extremely low income levels which mark large Northern towns," commented CACI chief executive Greg Bradford.

In the North East, the TS15 postcode in central Middlesbrough has an average household income of £9,870 but in nearby Stockton on Tees, residents in the TS175 postal district enjoy incomes averaging £37,776—placing them amongst the richest in Britain.

The CACI figures also identify the areas containing the extremely wealthy, where household earnings are over £100,000. Top of the list is the London EC2 postcode, which contains the high-rise Barbican development, where 10.6 percent of residents earn more than £100,000 a year, second is NW6 (South Hampstead) and SW1 (St James's Park). Outside of London, Chalfont St Peter in Buckinghamshire and Igtham, near Sevenoaks in Kent, also have nearly a tenth of residents earning £100,000 a year.

The biggest concentration of poverty is found in Liverpool. The L16 postcode area in Central Liverpool has 65.8 percent of households earning less than £10,000 a year, with two other Liverpool postcodes also in the bottom-ten table. Also among the lowest ranked postcodes are two districts in Bradford, West Yorkshire, with two-thirds of households having incomes below £10,000.



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