

# Number of UK million-pound earners almost doubled in past two years

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The number of people in the UK making at least £1 million a year [US\$1.5 million] has nearly doubled over the last two years—even as millions of people suffer as the result of unprecedented austerity measures.

The data was released by HM Revenue & Customs (HMRC), the government department responsible for collecting taxes. A total of 18,000 people now earn £1 million in the UK, with many of the new millionaires employed in the financial and banking sector. Just two years ago, 10,000 individuals earned more than £1 million annually, and in 1999-2000, only 4,000 did so.

Further comparing 2012-2013 with 2010-2011, an additional 5,000 people raked in £500,000 to £1 million, an extra 31,000 made £200,000 to £500,000 and 7,000 more people made £150,000 to £200,000.

Separate figures released by the Boston Consulting Group reveal that Britain has just over 1,000 “ultra-high net worth” households—those with more than £65 million in private financial wealth. This figure does not include the value of property held by these individuals.

According to the *Sunday Times* “Rich List” published in April, the number of billionaires now stands at a record 88—up from 77 last year. The combined wealth of the richest 1,000 UK residents is now hurtling toward half a trillion pounds (£450 billion), an increase of £35 billion on the previous year. The wealth of the top 200 richest residents in Britain and Ireland amounts to an incredible £320 billion.

Taken together, these figures are the official confirmation that the super-rich aristocracy have more than bounced back from any losses they incurred in the aftermath of the global financial collapse of 2008.

Matthew Whittaker, senior economist at the Resolution Foundation think tank, said the HMRC figures indicated that from the mid-1990s onward, there had been “a compression of inequality”, but Britain had

now entered “a new phase of inequality, where the top 10 percent—but more particularly the top one percent—are moving away from the rest of society”.

The fate of “the rest of society” is of no interest or concern to the mega-rich who are squandering wealth at an astonishing rate. The publication of the HMRC figures accompanied news reports and images in several national newspapers of a party at the “Billionaires Club” in Monaco during the Grand Prix auto race. The party was attended by a number of the richest people in the UK, including Charles Shaker, a private wealth manager. Reports indicated that he spent £330,000 on a 30-litre bottle of Armand de Brignac champagne.

A report in the *Daily Mirror* ran, “In front of delighted VIPs, including Formula One boss Flavio Briatore, 12 waiters suddenly carried nine different sized champagne bottles aloft into the party. Star of the Armand de Brignac Brut Gold Dynastie collection was a colossal 30L Midas—which weighs over 100lb and equals 40 standard bottles. It needed four men to lug it in a golden bucket”.

While the wealthy elite swim in luxury, millions of people are being plunged into deep poverty. A joint report released last week by Oxfam and Church Action on Poverty found that the number of people in Britain no longer able to afford food and turning to food banks has soared in the last year. The report, “Walking the Breadline”, estimates that 500,000 people across the UK used food banks in 2012, more than double the figure from the previous year.

According to the Trussell Trust, its food banks gave three-day emergency supplies to 346,992 people nationally in the last 12 months. In London alone, 42,064 people visited food banks in 2012-2013 compared to 14,569 people the previous year.

“Figures from the Trussell Trust, the biggest network of foodbanks in the UK, reveal that cuts and changes to the welfare system are the most common reason for people resorting to food banks”, the Oxfam-Church Action on Poverty notes.

Unemployment officially stands at more than 2.5 million, and with the relentless cuts in wages and working hours, alongside the slashing of welfare benefit entitlement, millions are being made miserable.

New measures depriving the unemployed of the £57-a-week Jobseeker’s Allowance and the cutting off of invalidity benefits to many were cited as prime causes of the large uptake in food bank usage. The social position of the working class has been further thrown back by the 35 percent increase in the cost of basic foodstuffs and the 63 percent rise in the cost of heating a home since 2008.

The report concludes, “There is a real risk that the benefit cuts and the introduction of universal credit [an amalgamated lower value welfare benefit]...will lead to even larger numbers being forced to turn to food banks”.

As a result of anti-working class policies pursued by successive Conservative and Labour governments over more than three decades, and stepped up since 2008, poverty has become entrenched. Earlier this month, Tim Lang, a former adviser to the World Health Organisation and a food policy expert, told the *Independent* that he feared UK food banks were becoming “institutionalised”, resulting in the revival of a “Dickensian” model of welfare. The Trussell Trust now runs 350 food banks nationwide, with an average of three new centres opening each week, requiring the labour of an estimated 30,000 volunteers.

Last week, Conservative cabinet office minister Francis Maude bragged that the government has secured public spending savings of £10 billion over the past financial year, a 25 percent increase on their target.

A report issued last Thursday by the Institute for Fiscal Studies (IFS) warned that the cuts to wages, conditions and social benefits would worsen, with social inequality widening. The poorest were seeing the greatest fall in income in the “second half of the recession”. The IFS notes that those who earned more than £48,000 after tax saw their incomes fall by 6.3 percent between 2007-2008 and 2011-2012. Those earning less than £12,000 a year will see their spending

power fall by 4.5 percent between 2011-2012 and 2015-2016.

Robert Joyce, a senior economist at the IFS, commented, “Most of the falls in real incomes associated with the recession have now happened for middle- and higher-income groups. But much of the pain for lower-income groups is occurring now, or is still to come”. The main reason for this were the ongoing cuts to welfare provision, including the benefits cap, changes to housing benefit, the localising of council tax benefit and the eradication of disability living allowance.



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