

Monopolisation of wealth by UK super-rich accelerates

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The Office for National Statistics (ONS) has released its latest survey of the wealth of private households in the UK. Known as the Wealth and Assets Survey, the latest report covers the period July 2012 to June 2014. According to the ONS, the survey is compiled “by gathering information on, among other things, levels of savings and debt, saving for retirement, (and) how wealth is distributed across households ...”

Its main findings showed that the total wealth of private households in the UK, which includes wealth from private pensions, was over £11 trillion. However, the wealthiest 10 percent of households owned 45 percent of the wealth whilst the least wealthy 50 percent of households held only 9 percent of total aggregate household wealth.

The concentration of wealth is expressed in the survey findings that show the top 1 percent of wealthiest households have as much wealth as the poorest 57 percent combined. The poorest 1 percent of households has just 0.05 percent of total wealth.

The ONS report notes the disparity in the distribution of wealth: “The distribution of wealth is highly skewed towards the top—the wealth held by the richest 10 percent of households combined was just under £5 trillion. ... Conversely the combined wealth of the bottom half of households ... was less than £1 trillion. ... The wealth held by the top 10 percent of households was ... over 875 times greater than that of the least wealthy 10 percent of households.”

There are around 26 million households nationally, with the super-rich in just 260,000 households now monopolising most of the UK’s wealth.

On average, each household in the top 1 percent of wealthiest households holds wealth of around £24 million. For the top 10 percent of wealthiest households the figure is around £1 million, whilst for the poorest

10 percent the value of their assets was £12,600 or less.

The total measure of aggregate wealth covering the survey period shows an increase of 18 percent over the previous survey period of July 2010 to June 2012, with the median total wealth figure increasing by 4 percent to £225,100. However, the increase is skewed sharply towards the richest households. The wealth of the top 10 percent of wealthiest families increased by 21 percent, but for the least wealthy 50 percent of households the increase in their aggregate was a mere 7 percent.

The ONS figures note the regional disparities of household wealth, with the average figure for the north-east being £150,000, while for the south-east the figure is more than double at £342,000.

Duncan Exley, the director of the Equality Trust, which monitors the impact of inequality, told the *Guardian*: “When such a huge chunk of the country’s wealth is found in the hands of so few people, it is clear something has gone terribly wrong. Aside from the disproportionate power this provides the richest, we know this vast inequality also weakens our economy and damages our society.”

The Equality Trust commentary on the latest ONS figures published December 21, headlined “Richest 1,000 wealth increase could pay for Christmas for everyone”, highlighted the sheer scale level of inequality in the UK. It notes: “[I]t’s even more shocking when you look at the super-rich. The richest 1,000 people in the UK have more wealth than the poorest 40 percent and the richest 100 more than the poorest 30 percent. Last year the wealth of the richest 1,000 people increased by around £28 billion.

“Let’s imagine that this wealth was used more equitably. Perhaps unsurprisingly it turns out £28 billion goes quite a long way. In fact £21.5 billion

would cover the total Christmas spend of all households in the UK, that's all food, drink, cards and presents paid for, with a few billion left over. In other words, a single year's increase in the wealth of just 1,000 people could essentially 'pay for Christmas for everyone'.

"You don't even have to look at the richest 1,000, the top 10 will suffice. They saw their wealth increase by £3.25 billion last year. That's enough to pay for the festive food and drink for over 20 million households. It could also pay for all the presents given by nearly 5.5 billion households, or a greater necessity, December's gas and electricity bill for every household in the UK."

For many households their main measure of wealth came from their ability to buy a home. Currently around 65 percent of people own their own home, but this is down from 73 percent in 2007. Again there are regional differences, with many in London and the south-east priced out of the market as property prices soar, driven in many instances by speculators piling in, regarding property as a lucrative way to rapidly increase their wealth.

For the majority of people house prices have been outpacing earnings for the last 20 years. This has accelerated especially since the global financial crisis of 2008 and the squeeze on earnings for millions of workers.

A Resolution Foundation report published December 19 highlights the difficulties faced by first-time buyers. Titled "Dealing with the housing aspiration gap", the report notes: "[B]uying a home appears an ever more distant dream for millions. ... low to middle income households saving 5 percent of their disposable a year were able to accumulate the deposit required for an average first time buyer home over the course of around three years in the 1990s. Today that figure is 24 years."

Citing a Bank of England survey the report notes: "It shows that just under half (46 percent) of the one third of families who don't already own their own home believe they'll never do so ..."

The growing gap between a rich elite and the majority is acknowledged by the government's own Social Mobility & Child Poverty Commission report published this month. It notes: "There is a growing social divide by income and by class ... the income share of the top 10 percent has increased from 28 percent to

39 percent since 1979 and the income share of the top 1 percent has more than doubled from 6 percent to 13 percent over the same time period."

Pointing out that the concentration of wealth exploded under both Labour and Tory governments, the report adds: "[T]he wealth share of the top 10 percent has increased from 59 percent to 66 percent since 1991 and the wealth share of the top 1 percent has increased from 19 percent to 23 percent. ... At the very bottom of society there are more than 1 million children living a life of persistent poverty. They are excluded from sharing in the many opportunities that life in modern Britain affords."

These reports and surveys all point to the fact that such extremes of wealth and income are an entrenched feature of British capitalism. Society is sharply polarised, with a fabulously wealthy elite at one end, and broad sections of the population, with many surviving on next to nothing, at the other.



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