

Thin layer of the UK population earn more than £150,000 per year

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There are only 321,000 people in the UK earning more than £150,000 a year.

Data from Her Majesty's Revenue and Customs (HMRC) by area shows that around 123,000 of the high-income earners, nearly 40 percent, live within the London area.

Topping the list is the Royal Borough of Kensington and Chelsea (RBKC), with another borough, Westminster, in second place. Each borough has around 12,000 individuals on incomes of £150,000 a year or more. The top seven on the list of high-income earners are all in London.

It is also in London that areas with concentrations of high-earners can be found living in the closest proximity to those struggling to survive, and therefore where the extremes of inequality are most stark.

The high-income earners in the Royal Borough of Kensington and Chelsea represent just 8 percent of the borough's population. The burnt-out shell of Grenfell Tower, in which 72 people died in the horrific 2017 fire, lies within RBKC, in impoverished north Kensington. The deaths at Grenfell were the result of cost-cutting and criminality, resulting from the attempts by the Conservative-run RBKC council to prettify the exterior of the tower block and make it more appealing when viewed by super-wealthy residents living nearby.

The London borough of Tower Hamlets is 15th on the list of the top 25 locations for high-earners, with around 4,000 individuals. A 2017 study showed the borough has the highest rates of poverty, including child poverty and income inequality, of any London borough.

Expressing the extraordinary geographical concentration of higher-earners, 205,000, approximately two-thirds of the total, are to be found in London and south-east of England.

Among the list of the top 25 areas for high-earners, only two are to be found outside this region. Edinburgh, with its concentration of financial institutions, has 4,000 high earners and is 16th on the list. At 17th is Cheshire East, including affluent towns such as Wilmslow and Alderley Edge. Adjacent to Manchester, they are known as the "Golden Triangle" and are home to many wealthy Premier League football players who play for clubs in the region.

HMRC data shows that just 31,000 people in the UK, out of a population of over 60 million, are in the top 0.1 percent income bracket, earning more than £1 million a year. According to the latest data published by the European Banking Authority, nearly three quarters of all Europe's millionaire bankers live in the UK. The UK has around 3,500 bankers earning more than €1million (£850,000) a year. Of these 30 bank bosses earn €10 million (£8.5 million) a year. One asset manager took home nearly €41 million (£35 million), of which €38 million (£32 million) represented a bonus.

Analysis of the HRMC data shows the increasing concentration of wealth among an extraordinarily thin layer of the population.

Between April and September last year, the income of the top 0.1 percent of income earners increased by six percent compared to an average increase of 3.7 percent for the total number of the employed.

Sir Martin Sorrell will receive £2.13 million this year from a long-term incentive scheme from his time at UK-based multinational advertising firm WPP. This is despite him leaving the company last year, following allegations of staff bullying.

Last year, the CEO of oil conglomerate Royal Dutch Shell, Ben van Beurden, saw his salary increase two-fold to £17 million. This was made up of a basic salary of £1.3 million, a yearly bonus of £2.5 million and a

£13 million yield from a long-term incentive scheme.

The Institute for Fiscal Studies (IFS), in its analysis of the May government's spring budget statement, reported, "The OBR (Office of Budget Responsibility) notes that the most recent Real Time Information suggests that pay of the top 0.1% has been rising considerably faster than the average over the last year or more—something which was not true for most of the period after 2010."

In contrast, income for many workers continues to stagnate or fall. Highlighting the poor pay for most workers, IFS director Paul Johnson reported that the Bank of England had been searching for historical periods in which the average pay of workers was worse than today. He said, "It's reached the early 1800s. I think it might be heading back to the Black Death soon."

It is the narrow layer of the population on incomes of £150,000 or more a year or close to it that forms the social basis for identity politics. These comprise layers, often opinion formers, based within the media, academia, political parties, local government and the trade union apparatus, whose reactionary politics are based on envy of the ultra-high earners and disdain for the 90 percent of the working population who struggle to subsist on far less.

Over the last decade, the wealth of the affluent upper middle class has skyrocketed at the expense of the working class. The proponents of identity politics seek to manipulate discontent among broader layers of society at the almost unimaginable scale of social inequality, in order to advance their own claims to a greater share of wealth and privilege within the top 10 percent by demanding representation based upon race, gender, etc.

At a question and answer session that took place in Foyle's bookshop, at the launch of Mehring Books' *Why Are They Back: Historical Falsification, Political Conspiracy, and the Return of Fascism in Germany*, WSWs international editorial board chairperson David North explained:

"The real basis of identity politics is in the top 10 percent. They argue not about the extreme inequality that exists, where a few thousand billionaires have more wealth than half the population of the world. No, they are really angry over wealth distribution at the top.

"There is a lot of money sloshing about in the top one

percent and only trickling down slowly to the upper 10 percent. There is a big difference if you are living in London, where it costs a lot of money, about where you can live if you are only getting a measly £150,000 a year. That is not going to get you very far.

"It might look great in Sheffield or Liverpool, it is far more than they will ever see. But you're not comparing yourself to them. You [the upper middle class] despise them. Your complaint is, 'I can't get a house in South Kensington. I can't afford something that is going for two of three million pounds.'

"So there is a bitter fight that goes on for access to wealth at the top. And that determines an entire social outlook. That is why it's within these layers that identity politics has become so powerful and racial politics has become so powerful."



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