



What people think,
feel and do



APPG on Inclusive Growth

Inequality of Wealth



Key findings

10 March 2023



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Project details

PROJECT NUMBER	OP22986
PROJECT NAME	Inequality of Wealth
CLIENT COMPANY NAME	APPG on Inclusive Growth
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SAMPLE	2,000 nationally and politically representative UK Adults
FIELDWORK DATES	27 February – 06 March 2023

Global inequality

Seven in ten think that global inequality is growing

Seven in ten (70%) UK adults think that global inequality is growing, and almost half (46%) think global inequality is growing rapidly. Only 5% of UK adults think that the gap between the richest and poorest in society is shrinking, while one in seven (14%) think the gap is staying about the same.

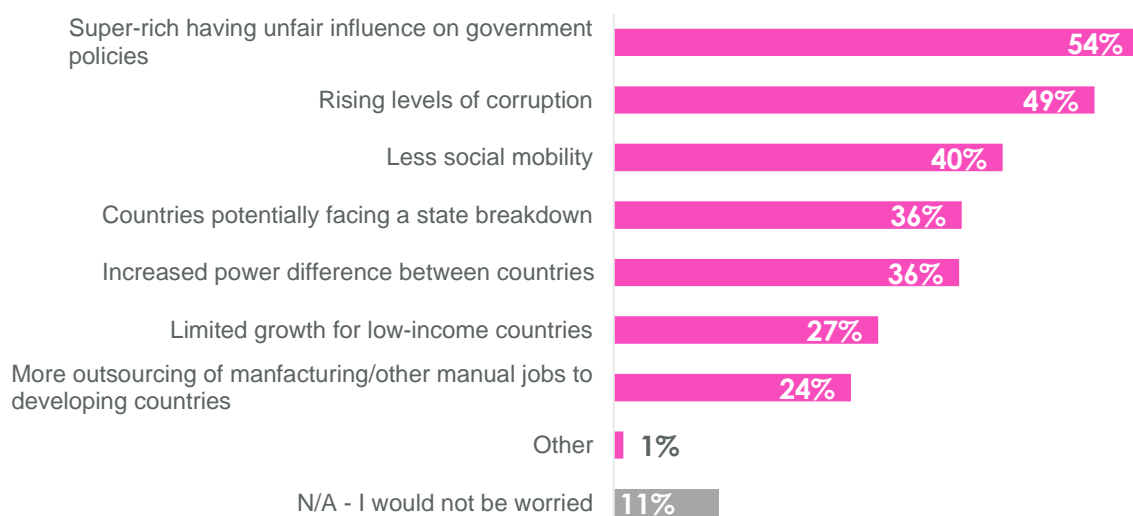
- Gen Z are a little less likely to think the global inequality is growing than other generations. Six in ten (61%) Gen Z adults think that the global wealth gap is growing, compared to seven in ten adults of other ages, including Millennials (70%); Gen X (71%); Baby Boomers (70%) and the Silent generation (75%).

Over half are worried about the super-rich having unfair influence on government policies

Four in five (78%) UK adults have concerns about if global inequality were to rise. Just over half (54%) believe that the super-rich having unfair influence on government policies would be a worrying outcome of a rise in global inequality. Half (49%) also believe that rising levels of corruption would be a worrying consequence.

Other worrying potential outcomes include: it being difficult for people from less advantaged backgrounds to move up in society (40%); more countries facing a state breakdown (36%) and increased power differences between high and low-income countries (36%).

Top worries if global inequality were to rise





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Those of a higher social grade are more likely to have specific concerns about the outcomes of global inequality, with 82% of ABC1 social grade respondents having these concerns, compared to 72% of C2DE social grade respondents.

Two fifths are worried about the global top 1% getting richer

Two in every five (41%) are worried about the world's top 1% getting relatively richer (when someone is wealthier compared to others). A similar proportion (44%) are worried about the top 1% getting absolutely richer (richer in a total level of wealth).

Labour voters are significantly more likely to feel worried about the global top 1% being relatively richer. Three in five (57%) 2019 Labour voters are worried about this, compared to three in ten (29%) 2019 Conservative voters. This is also reflected between Leave and Remain votes. Over half (53%) of those that voted to Remain in the EU in 2016 are worried about the global top 1% being relatively richer, compared to a third (33%) of Leave voters.

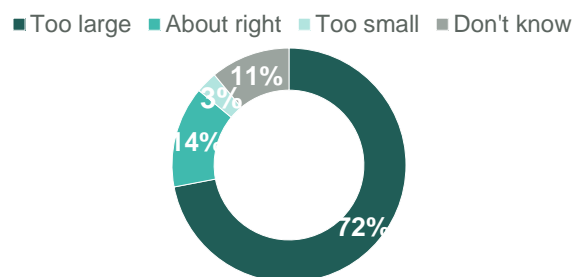
Wealth Gap in the UK

Two thirds feel that wealth gap levels in Britain are getting bigger

When UK adults think of wealth levels generally in Britain today, two thirds (65%) think the gap between those with lots of wealth and those with little wealth is getting bigger. Just under two fifths (18%) think it is staying the same and only 8% think it is getting smaller.

Three quarters (72%) see the wealth gap as a problem, stating that the gap between those with lots of wealth and those with little wealth is too large. In comparison, only 14% think it is about right and 3% say it is too small.

Would you say the wealth gap is...?



Three fifths think the wealth gap levels should be reduced

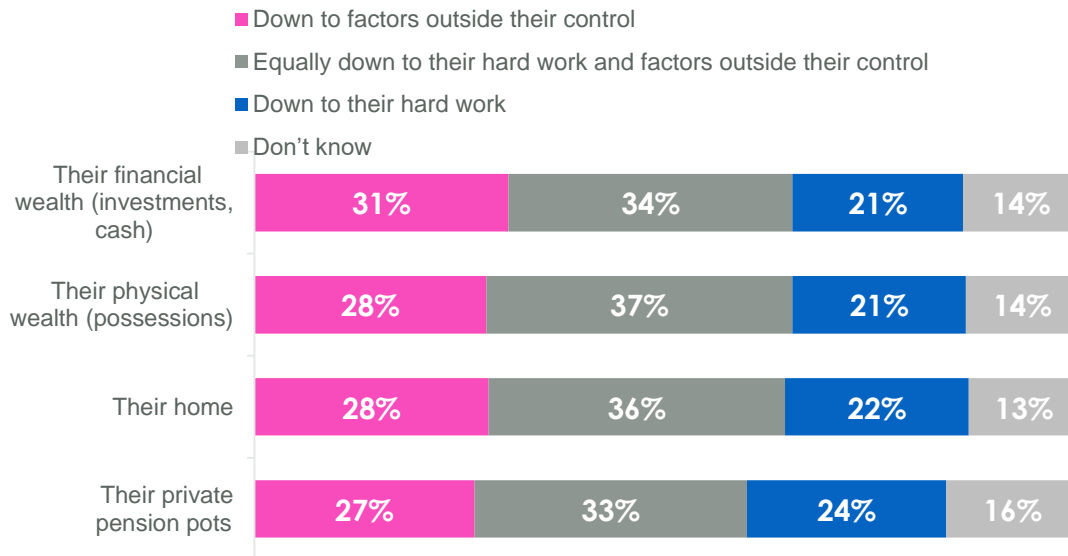
However, while three quarters think the wealth gap is too big (72%) and two thirds (65%) recognise that the wealth gap is getting bigger, less think it should be reduced. Three in five (59%) think that the gap between those with high wealth and those with little wealth should be reduced. A sixth (16%) say it should say the same and a similar proportion (14%) think it should be increased.

A third believe financial wealth comes from areas outside their control

There are mixed views on whether the richest in society are wealthy because of their hard work or because of factors outside their control. Overall, across the areas we asked about, the public are more likely to think wealth comes from factors outside their control than from their hard work. However, the plurality opinion across all areas we asked about is that the wealth of the richest in society is equally down to their hard work and factors outside their control.

Of the different examples of wealth asked about, financial wealth is the area that had the highest proportion of people saying that the richest obtain this wealth down to factors outside their control (31%). On the other hand, private pension pots is the area that had the highest proportion of people saying the richest obtain their wealth in this area because of their hard work (24%) compared to other areas of wealth.

Perceptions of whether wealth of the richest people in the UK is because of hard work or other factors



Q4: Thinking about the people in the UK who have the most wealth, to what extent do you think their wealth in the following areas is because of their hard work, or due to factors outside their control?

Three quarters think family wealth is the most important explanation of the wealth gap

Asked more broadly, over four in five (85%) do think factors related to social background are the most important explanations for why some people have a lot of wealth and others have very little:

- 73% of UK adults think coming from a wealthy family is the most important explanation
- 41% think having useful networks is an important explanation
- 40% think having access to a good education is an important explanation

In comparison, a third (35%) think how hard you work is an important explanation, followed by 26% who think the level of individual talent or natural ability a person has is a factor. Only a tenth thinks wealth comes down to positive factors such as being organised (11%).

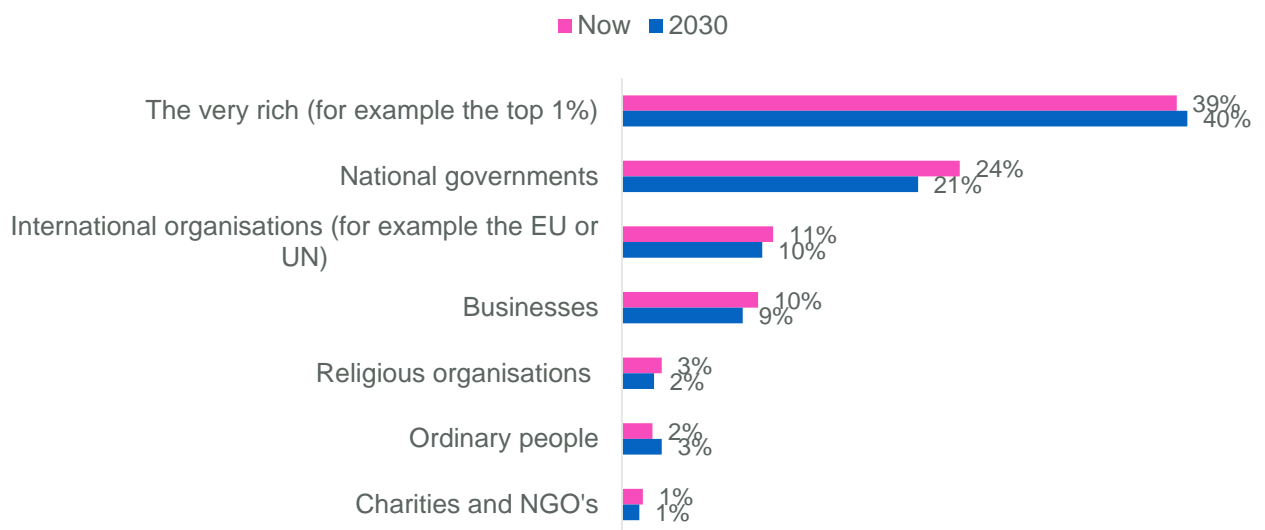
Those who think the wealth gap is about right are significantly less likely to attribute a person's wealth to their social background. Of those who think the wealth gap is currently at a good level, two thirds (65%) believe that social factors contribute to wealth. In comparison, almost all (93%) of those who think the wealth gap is too large think that social background determines wealth.

The very rich are considered more powerful than national governments

Respondents were asked to rank various group based on how much ‘power’ they thought they had, on a scale from 1 to 7, with 1 holding the most power and 7 the least.

The very rich were considered to have the most power with 39% ranking this group first. This is followed by national governments, where 24% ranked this group first, and international organisations were ranked first by 11%. In comparison, ordinary people are seen to have much less power, with only 2% ranking them first. This order does not change when looking ahead to 2030, indicating that the public do not see the power balance shifting between groups.

Perceived power of groups now and in 2030 (% who chose this option as rank 1)



Q6: Today, in 2023, which of the following groups do you think has the most power? By ‘power’ we mean the capacity or ability to direct or influence the behaviour of others or the course of events. Please rank from 1 to 7 with 1 having the most power and 7 the least. & Q7: “And which of the following groups do you expect will have the most power in 2030? By ‘power’ we mean the capacity or ability to direct or influence the behaviour of others or the course of events. Please rank from 1 to 7 with 1 having the most power and 7 the least.”

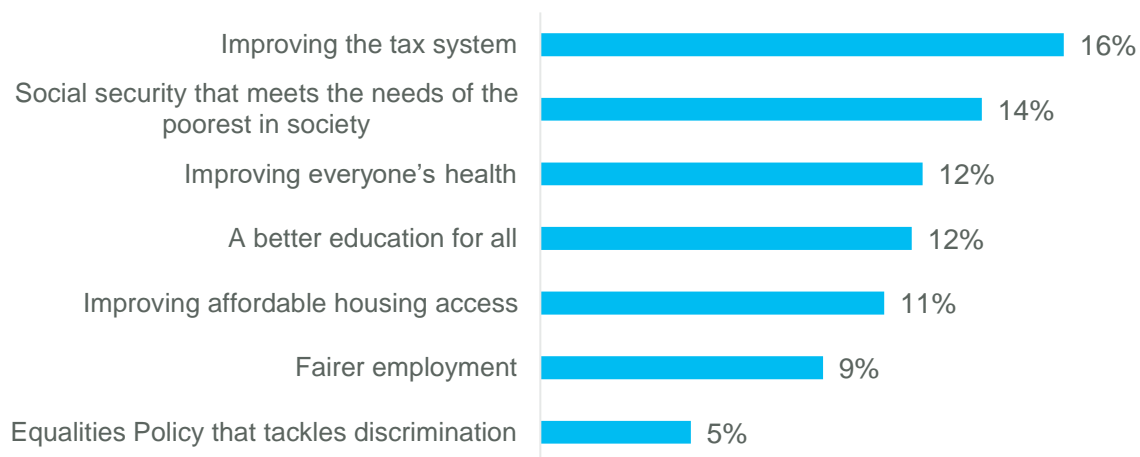
Solutions for reducing inequality

Solutions based around improving the tax system are seen as working best to reduce inequality

A sixth (16%) rank solutions based around improving the tax system as the most effective approach to reduce inequality in Britain over the next 10 years. Over a quarter (27%) ranked it in their top two. For first and combined first and second place rankings, solutions based around improving the tax system was the most popular approach.

This is followed by 14% ranking solutions based around social security that meets the needs of the poorest in society working best to reduce inequality, and 24% ranking this in their top two.

Types of solutions that would work best to reduce inequality in Britain in the next 10 years (% who chose this option as rank 1)



Q17: What solutions do you think would work best to reduce inequality in Britain over the next 10 years? Please rank the answers from one to seven with one being the solution you believe would work best and seven being the solution you think would work least well..”

The next few sections will look at each of these solution areas outlined in the chart above and explore public perceptions of which solutions within these areas would be best for reducing inequality in Britain.

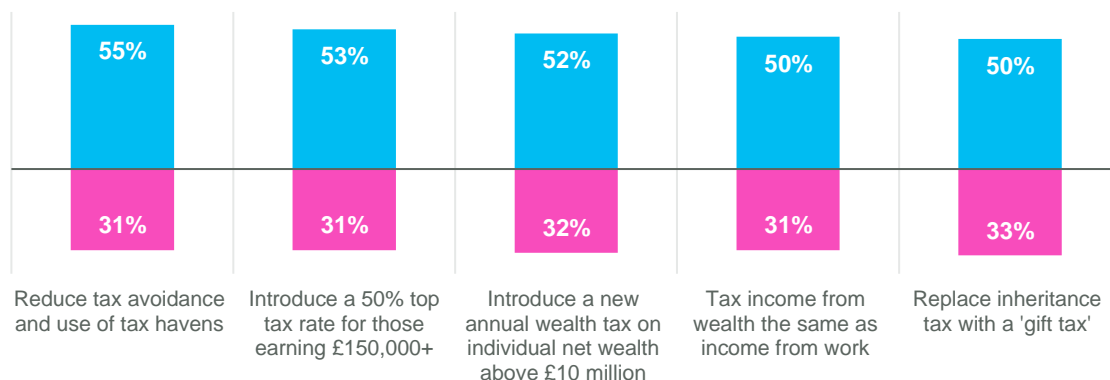
Using the tax system to reduce inequalities

When posited with possible solutions to reduce inequality in Britain using the tax system, reducing tax avoidance and use of tax havens was by far the most popular with a third (32%) ranking it as the measure they supported most from the list of solutions. This was followed by introducing a new annual wealth tax on individual net wealth (16%) and introducing a new 50% top tax rate on those earning over £150,000 a year (14%).

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
Reduce tax avoidance and use of tax havens	32%	55%	26%
Introduce a new annual wealth tax on individual net wealth above £10 million	16%	52%	14%
Introduce a 50% top tax rate for those earning £150,000+	14%	53%	13%
Tax income from wealth the same as income from work with equivalent rates of tax and National Insurance	8%	50%	8%
Replace inheritance tax with a 'gift tax'. 20% charged on gifts that are over the value of £125,000	7%	50%	9%

A similar picture emerges when also asked about how credible each policy is and which would work best to reduce inequality. Reducing tax avoidance is considered the most credible policy, with 55% saying they think it is credible. It is also considered as the policy that would work best at reducing inequality, with over a quarter (26%) ranking it first as the solution that would work best.

To what extent do you think the following measures are or are not credible for a new UK Government to introduce?



Overall best performing measure using the tax system: *Reducing tax avoidance and use of tax havens*

Using the social security system to reduce inequalities

In terms of using the social security system to reduce inequality, ensuring benefits for those with ill-health are high enough to prevent poverty is the most popular measure among the public. A fifth (22%) ranked this as the measure they supported most from the list of solutions. This measure has high levels of credibility, with 60% considering it credible compared to 27% who do not think it is credible. The policy was the second highest ranked measure in terms of effectiveness with 16% ranking it as the measure they think would work best to reduce inequality over the next 5 years.

The next most popular measure is a Universal Basic income which guarantees every adult citizen a certain amount of money each year; 20% ranked this as the measure they support most. Of all the measures listed, this measure was the one considered to work best to reduce inequality within the next 5 years, with a fifth (21%) ranking it 1st. However, this measure lacks credibility, with only 40% considering this a credible measure that a new UK government could introduce, while almost half (48%) consider it not credible.

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
Ensure benefits for those with ill-health are high enough to prevent poverty	22%	60%	16%
A UBI guaranteeing every adult citizen a certain amount of money each year	20%	40%	21%
Setting out of work benefit levels to the equivalent of a living wage	8%	45%	9%
Increasing child benefit	8%	51%	7%
Increasing the rate of Universal Credit	7%	49%	7%
Launching a campaign to raise awareness of different types of benefits amongst those that are eligible	6%	62%	7%

Launching a campaign to raise awareness of different types of benefits amongst those that are eligible is the measure that is considered most credible, with 62% thinking it is credible for a new UK government to introduce. However, there are lower levels of support for this compared to other policies (only 6% ranked this as the measure they support most), and it is not considered to work that well with only 7% selecting it as a measure they think would work best to reduce inequality within the next 5 years.

Overall best performing measure using the social security system: *Ensuring benefits for those with ill-health are high enough to prevent poverty.*

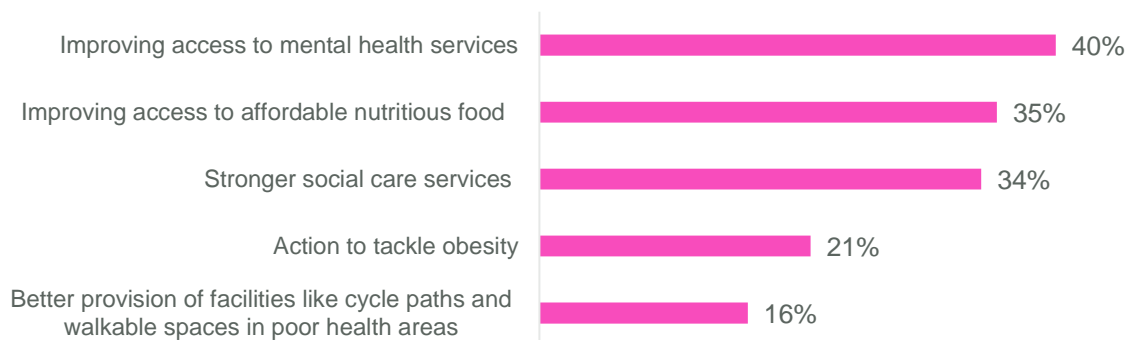
Using the health system to reduce inequalities

In using health policy to help reduce inequalities in Britain, the three best performing measures were improving everyone’s access to mental health services, improving everyone’s access to affordable nutritious food and stronger social care services. All three had similar scores in terms of support, credibility and which is considered to work best.

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
Improving everyone’s access to mental health services	23%	62%	20%
Improving everyone’s access to affordable nutritious food such as fruit and vegetables	23%	61%	20%
Stronger social care services to relieve carers of some burdens	22%	63%	19%
Action to tackle obesity, especially childhood obesity	12%	59%	9%
Better provision of facilities like cycle paths and walkable spaces in areas where people have poor health to promote health and capacity to work	7%	60%	8%

Looking more widely at the top two rank, improving everyone’s access to mental health services performs slightly better, with 40% ranking this in their top two for policy they think would work best to tackle inequality over the next five years, compared to 35% for improving everyone’s access to affordable and nutritious food and 34% for stronger social care services.

Health policy that would work best to reduce inequality over the next 5 years (% that chose this in their top 2)



Overall best performing measure using the health system: *Tied between improving everyone’s access to mental health services, improving access to affordable nutritious food and stronger social care services.*

Using the education system to reduce inequalities

More money for schools, smaller class sizes and better Special Educational Needs services is the policy with the most support, with 18% ranking it first when it comes to addressing inequality through education. The same policy is also seen as the most effective, with 15% ranking it as the policy that would work the best to reduce inequality in the next five years.

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
More money for schools, smaller class sizes and better SEN services	18%	56%	15%
Low-cost childcare for 30 hours a week for children from 18 months of age	14%	56%	12%
Improve the availability of high-quality apprenticeships	13%	65%	11%
Reduce the costs of higher education	12%	53%	10%
Improve careers services to encourage young people to stay in education longer	9%	60%	8%
Action to reduce youth unemployment	9%	52%	11%
Improve access to free lifelong learning so workers can retrain for better jobs	9%	58%	7%

However, it does not perform the best in terms of credibility. While a majority (56%) think that more money for schools is a credible policy for a new UK government to introduce, 32% think it is not, and three other policies perform better. The measure perceived to be the most credible is improving the availability of high-quality apprenticeships, with two thirds (65%) thinking this is a credible policy and only a fifth (22%) thinking it is not credible.

Solution	% who ranked this in their top two as the measure they support most	% who ranked this in their top two as the measure they think would work best
More money for schools, smaller class sizes and better SEN services	28%	24%
Improve the availability of high-quality apprenticeships	27%	23%

Looking more widely at the top two rank, it is effectively a tie between the two measures on which has the most support and which would work best.

Overall best performing measure using the education system: *If taking wider consideration of top two ranks, then improving the availability of high-quality apprenticeships performs best.*

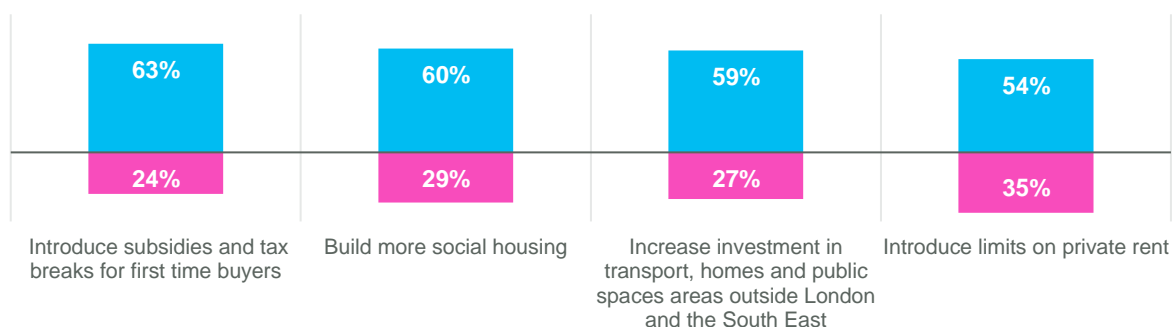
Using housing and regeneration policy to reduce inequalities

Building more social housing is the most popular measure for addressing inequalities through housing and regeneration policy. It is the most supported measure, with almost three in ten (29%) ranking it first, and it is also the measure considered to work best to reduce inequalities over the next 5 years, with 28% ranking it first. It has the second highest score for credibility, with three in five (60%) considering it to be a credible policy.

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
Build more social housing	29%	60%	28%
Limit the amount private landlords can charge on rents	25%	54%	19%
Increase investment in transport, homes and public spaces areas outside London and the South East	15%	59%	13%
Introduce subsidies and tax breaks for first time buyers to get a foot on the housing ladder	15%	63%	15%

In close second, a quarter (25%) rank introducing limits on rent charges as the measure they support most, and a fifth (19%) ranked it as the measure they think would work best to reduce inequalities. Limits on private sector rents are seen as less credible than building more social housing, with half (54%) saying limiting private sector rents is credible and a third (35%) saying it is not credible.

To what extent do you think the following measures are or are not credible for a new UK Government to introduce?



The policy with the highest scores on credibility was introducing subsidies and tax breaks for first time buyers to get a foot on the housing ladder. However, this had the fewest proportion of people ranking it as the measure they support most (15%), and the measure that they think would work best to reduce inequalities (15%).

Overall best performing measure using housing and regeneration policy: *Build more social housing*

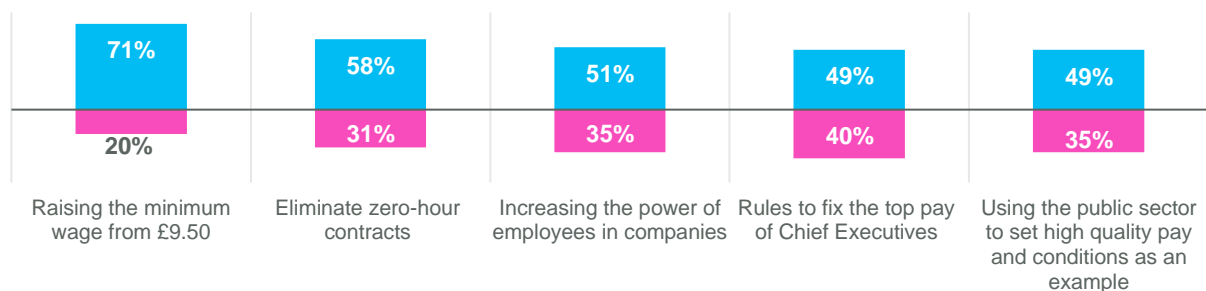
Using employment rules to reduce inequalities

Thinking about using employment rules to reduce inequalities, the two most supported measures are rules to fix the top pay rate of Chief Executives, which is ranked first by 26% of UK adults, and the measure of raising the minimum wage from its current level of £9.50, which is ranked as most supported by 25% of UK adults.

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
Rules to fix the top pay of Chief Executives, so they can't earn any more than 20 times the pay of the lowest paid in the company	26%	49%	18%
Raise the minimum wage from current level of £9.50	25%	71%	29%
Eliminate zero-hour contracts (a contract where an employer does not have to provide any minimum number of working hours to the employee)	22%	58%	17%
Use the public sector to set high quality pay and conditions as an example	7%	49%	7%
Increase the power of employees in companies, for example including workers representatives on company boards	5%	51%	6%

However, when it comes to credibility and effectiveness, the gap widens between the two measures. Seven in ten (71%) see raising the minimum wage as a credible policy, compared to 20% who do not consider it credible. Inversely, fixing the top rate of pay for Chief Executives is seen as credible by half (49%) but faces more scepticism with 40% considering it not credible. Three in ten (29%) think raising the minimum wage from the current level of £9.50 would be the best policy for reducing inequality in the next 5 years, compared to 18% who think fixing the pay of CEO's would work best.

To what extent do you think the following measures are or are not credible for a new UK Government to introduce?



Overall best performing measure using employment rules: *Raising the minimum wage from current level of £9.50*

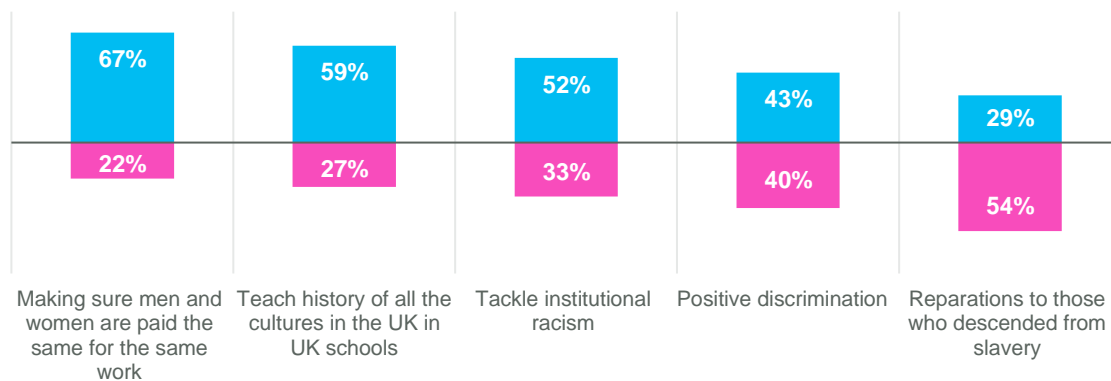
Using equality policy to reduce inequalities

Making sure men and women are paid the same for the same work is by a considerable margin the most supported equality policy for reducing inequality, with two-fifths (41%) supporting this policy most. This is followed by tackling institutional racism (16%) and teaching the history of all cultures in the UK in schools (9%), positive discrimination (5%) and reparations (4%).

Solution	%who ranked this first as the measure they support most	% who think this is credible (net: completely and mostly)	% who ranked this first as the measure they think would work best
Making sure men and women are paid the same for the same work	41%	67%	37%
Tackle institutional racism, particularly in schools and the criminal justice system	16%	52%	13%
Teach history of all the cultures in the UK in UK schools	9%	59%	10%
Positive discrimination to ensure for example women, or ethnic minorities can access opportunities	5%	43%	6%
Reparations to those who descended from slavery	4%	29%	3%

Making sure men and women are paid the same for the same work is also seen as most feasible, with 67% thinking it is credible compared to 22% who did not. Contrastingly, reparations are seen as not realistic, with over half (54%) not thinking it is credible and only 29% thinking it was credible. Ensuring gender pay equality is also considered the best measure to reduce inequality with 37% choosing it as their first choice for what would work best.

To what extent do you think the following measures are or are not credible for a new UK Government to introduce?



Overall best performing measure using equality policy: *Making sure men and women are paid the same for the same work*

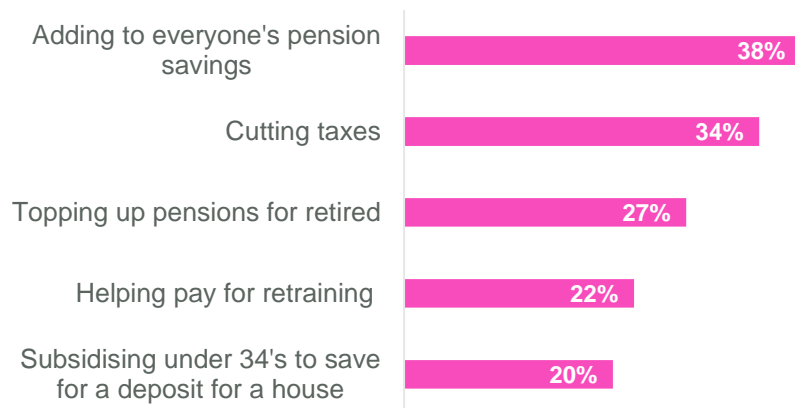
Social Wealth Funds

Just under half think the UK Government should create a wealth fund

When asked whether the UK Government should create a ‘sovereign’ or ‘social’ wealth fund, 44% said they should with 13% saying they should not. There is a high degree of uncertainty around the issue however with 43% saying they don’t know if there should be one.

In the event that the UK did have a sovereign or social wealth fund, using the dividends to add to everyone’s pension savings would be the top priority, with two-fifths (38%) choosing this option. This is followed by cutting taxes (34%).

Priority uses of a sovereign / social wealth fund



Stronger support for giving young people tax incentives instead of a lump sum

Respondents were split into 2 groups – Group A was shown a proposal that every young person is given a one-off payment of £10,000 at the age of 25 to start in life with the purpose of the payment for setting up a business, training, mortgage deposits or savings. Group B was shown the same message; however it was different in that the £10,000 sum would be provided in the form of a tax incentive as opposed to a lump sum payment.

UK adults are divided on the idea of giving young people £10,000 at the age of 25. While 35% support the idea, 38% oppose the idea. This leaves a net support of -3%. The proposal was much more popular with young people, including two thirds (64%) of Gen Z adults compared to a fifth (21%) of Baby Boomers supporting the proposal.

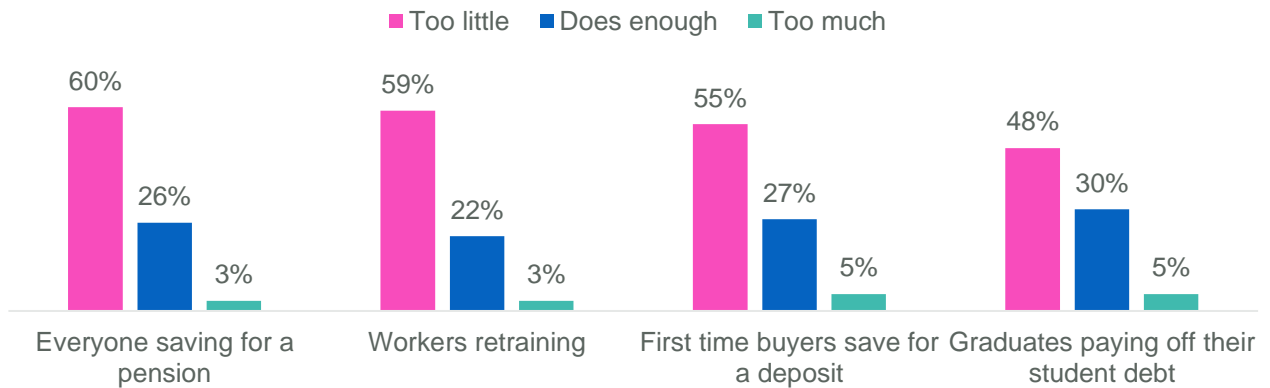
However, tax incentives that would see young people pay less income tax were much more popular even if it amounted to £10,000 and was paid for in the same manner. 41% support the idea, while 22% oppose. This leaves a net support of +19%, which is significantly higher than paying 25 year olds a lump sum. The proposal also had less of a generational divide, with approximately two fifths of Gen Z (40%) and Baby Boomers (38%) supporting the idea.

Wealth Building measures

Three-fifths think government support for helping everyone save into their pension is too little

UK adults are generally dissatisfied with the support the UK government provides for people trying to improve their finances. Three-fifths (60%) think the government does too little to help everyone save enough for a pension, and 55% think the government does not provide adequate support for first time buyers saving for a deposit for their first home.

Is UK Government support for...



Seven in ten (71%) think the UK government can do more to help savers build their savings faster. The most popular ways to do this are providing matching contributions to savings (33%) and providing a tax relief on saving contributions (30%).

Pensions

Three-quarters believe pension fund managers have a responsibility for ethical investment

Of those who are not retired and have a private pension, two-fifths (39%) are seeking income for the rest of their life until retirement whereas 19% are seeking a lump sum upon retirement – 43% are seeking a mixture of both. Two-thirds (66%) say it is important for them to be able to switch their pension savings to another pension management company.

Three-quarters (72%) think that pension fund managers have a responsibility for only investing in ethically behaving companies, however views are split as to whether this should happen regardless of profitability. Just over a third (36%) think that pension fund managers should ensure they are investing in ethical companies even if it reduces returns a little, with the same percentage believing



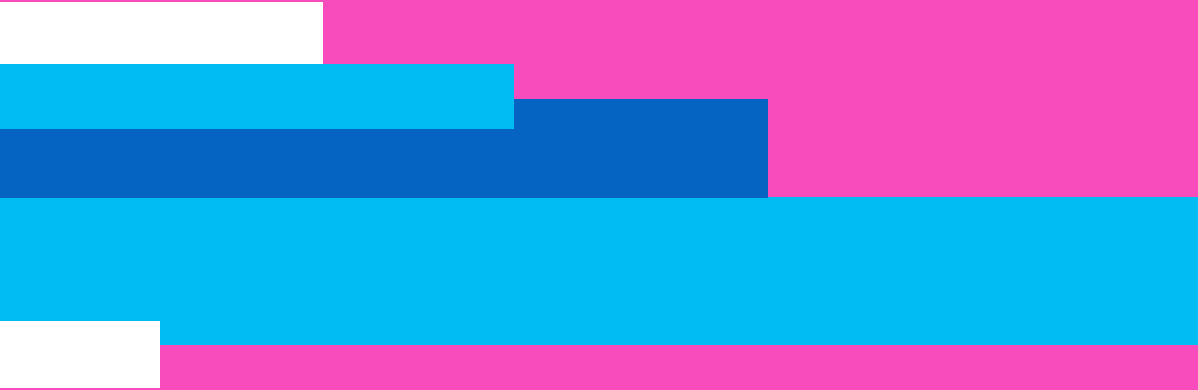
they should but only if it **does not** reduce returns (36%). Only one in ten (11%) do not believe pension fund managers have a responsibility to only invest in ethically behaving companies.

Further to this, half (50%) say they would switch pension provider if they learnt their fund manager was not properly ensuring they were investing in ethically behaving companies, with 20% saying they would not switch and 30% not sure what they would do.

Three-fifths (57%) are comfortable continuing having the same amount of influence over their pension fund as they currently do, with 29% wanting more and only 2% wanting less.

Half of those who are not retired and have a private pension say they want to know how much their pension is worth and be able to move it to another provider should they wish to. So it needs to be invested in shares and bonds which can be sold should that be necessary (52%).

- On the other hand, just under a third (31%) saying they want their pension invested in long term assets and are ok if that means they can't move their pension to another provider as long as they can be assured of an income when they retire.



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