

Study reveals widening wealth gap



A new survey has found 'widening disparities' between households at the top and bottom ...

The top 10% of Britain's wealthiest households are more than 500 times richer than those in the bottom 10% - and the gap has been widening, a report has found.

Families in the top bracket had a total wealth of £4.5 trillion in 2008/10, whereas those at the other end of the scale only had £8 billion, an Office for National Statistics (ONS) study found. The total wealth of Britain's households reached £10.3 trillion in 2008/10, up from £9.1 trillion in 2006/08.

Mean average household wealth grew to £418,000 in 2008/10, from £373,000 in the previous two years. Families in the South East were the best off, with an average wealth of £562,000, while those in the North East were the worst off, with a total wealth of £322,000.

But the study highlighted "widening disparities" between households at the top and bottom ends of wealth distribution. It said much of the increase seen by some families has been due to a rise in pension wealth, but this was not distributed evenly, with a small number of people holding high-value private pensions.

Of those who had private pensions, the 10% of households with the highest levels of pension wealth had almost seven times as much as households in the bottom 50% combined.

Across Britain, 64% of people were not paying into a private pension, while 42% of adults had no private pension savings at all.

The Wealth in Great Britain study also looked at the value of people's possessions, homes and finances. It found that while private pension wealth has increased as a proportion of total wealth in recent years, property wealth has decreased as a share as the housing market has remained stagnant.

The contributions of financial and physical wealth have remained fairly stable, the report found. The least wealthy half of households in Britain were found to have 10% of the total wealth, while the better off half had 90% of the total.

TUC general secretary Brendan Barber said: "Widening inequality, which started 30 years ago, has continued in the recession with the top 10% now more than 500 times wealthier than the bottom 10%...

"The wealth of the very rich is growing at an ever-increasing rate, even as the economy sinks into double-dip recession. Tackling this growing inequality through fairer taxes, stronger wage growth for those on middle and lower incomes and a crackdown on excessive rewards at the top is therefore vital for driving sustainable economic growth that benefits everyone."

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