A Decade of National Renewal

DISCUSSION PAPER

EARNING VS OWNING

RESCUING OPPORTUNITY IN THE ASSET ECONOMY

Tom Clark

November 2024

Institute for Public Policy Research

ABOUT IPPR

IPPR, the Institute for Public Policy Research, is an independent charity working towards a fairer, greener, and more prosperous society. We are researchers, communicators, and policy experts creating tangible progressive change, and turning bold ideas into common sense realities. Working across the UK, IPPR, IPPR North, and IPPR Scotland are deeply connected to the people of our nations and regions, and the issues our communities face.

We have helped shape national conversations and progressive policy change for more than 30 years. From making the early case for the minimum wage and tackling regional inequality, to proposing a windfall tax on energy companies, IPPR's research and policy work has put forward practical solutions for the crises facing society.

IPPR
8 Storey's Gate
London
SW1P 3AY
E: info@ippr.org
www.ippr.org
Registered charity no: 800065 (England and Wales),
SC046557 (Scotland)

This paper was first published in November 2024.

ABOUT THE AUTHOR

Tom Clark is a contributing editor at Prospect magazine.

ABOUT THE EDITORS

Dr Parth Patel is associate director for democracy and politics at IPPR.

Professor Jane Gingrich is an associate fellow at IPPR.

Professor Will Davies is an associate fellow at IPPR.

ABOUT THIS PROGRAMME

This discussion paper is part of the IPPR Decade of National Renewal programme, which studies new strategies for a just society in a changing world.

ACKNOWLEDGEMENTS

I'm grateful to Parth Patel and Carys Roberts at IPPR for commissioning this work, and early discussions about its direction. And then again to Parth as well as Will Davies of Goldsmiths and Jane Gingrich at Oxford for invaluable pre- post- and 'during' discussion and advice as the draft took shape. I'd like to acknowledge Will Hutton, for leading me towards RH Tawney, and Adair Turner for correspondence and discussion about the changing nature of the wealth mix. Special thanks are also due to Andrew Wenham of the Joseph Rowntree Foundation, who kindly updated some analysis of housing trends that we'd previously worked on together purely for this paper.

I'm grateful to the whole team at the Institute for Fiscal Studies for inviting me to take part in an enlightening debate on wealth and social mobility, which brought me up to date with all their latest research, which I draw on heavily in the paper. And to various colleagues at the Resolution Foundation, who have so usefully boiled down the key implications of Big Wealth for tax policy, as well as the implications of changing interest rates for exactly how big it will be.

This work is funded by the Open Society Foundation. The material presented here represents the views of the authors, not necessarily those of OSF.

Download
This document is available to download as a free PDF and in other formats at:
http://www.ippr.org/articles/earning-vs-owning

Citation
If you are using this document in your own writing, our preferred citation is:
Clark T (2024) *Earning vs owning: Rescuing opportunity in the asset economy*, IPPR.
http://www.ippr.org/articles/earning-vs-owning

FOREWORD

More people own assets today than in any other point in British history, blurring old boundaries between workers and owners. Most Britons are both. They have a direct interest the returns on owning and earning.

The returns on owning are outstripping the returns on earning. House prices have tripled since the turn of the century, but wages only doubled. This has compounded shifts in our sources of economic security: recent years are characterised by the rise of insecure jobs and safe assets. Wealth is becoming the new work.

British public policy has yet come to terms with these realities. The result is a society where life chances are increasingly determined by what you inherit, not what you do. It has stagnated social mobility and economic growth. It also runs against the basic principle of capitalist democracy: hard work pays off.

The Labour government is attempting to wrestle with these forces. It is has proposed labour market reforms to “make work pay” and raised taxes (albeit modestly) on some forms of wealth, such as gains from the stock market and the sale of second homes.

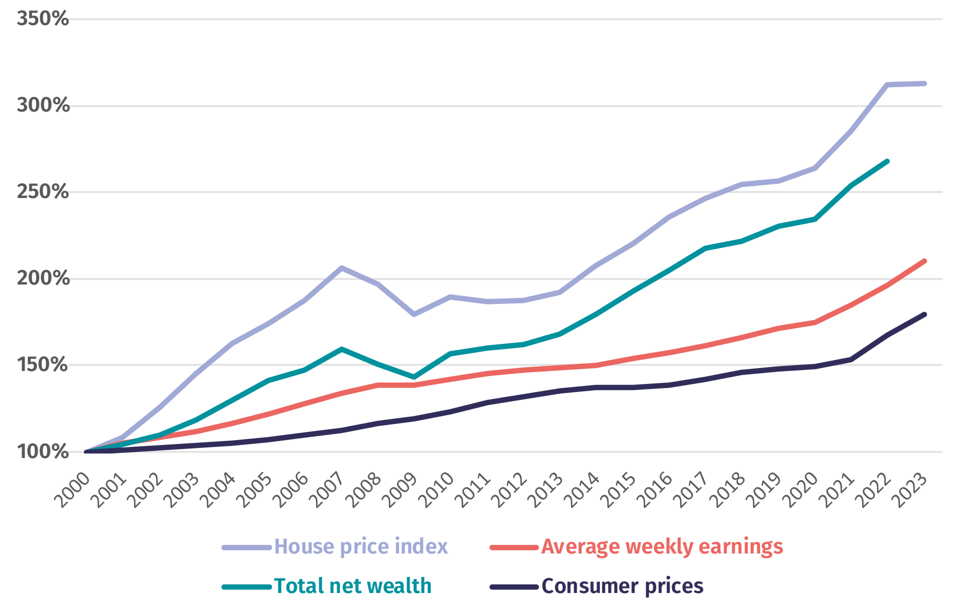
But, as Tom Clark shows, taxation can only be part of the solution. Government will have to develop more sophisticated, rounded strategies if it is to rescue opportunity in the asset economy. This report puts forward a new typology of wealth and convincingly expands the conversation from wealth tax to a broader range of policy instruments.

Dr Parth Patel
Associate director, IPPR

In the early years of this century, homeowning Londoners would joke with each other that they didn't know why they bothered trudging out to work: you could put in all the hours you liked, but over the year your house would always 'earn' more. Runaway property prices were regarded as an almost amusing absurdity: yes, people had to take ever-more ludicrous stretches to get a first foot 'on the ladder', but, once they did, it always came good for them in the end. Only since the financial crisis have we come to understand prolonged house price inflation as one of the forces reordering our society in a disturbing manner – so that one's fortunes turn ever less on 'what you earn' and ever more on 'what you own'. House prices have tripled since 2000, while earnings from work have only doubled (see figure 1).

FIGURE 1: THE VALUE OF WEALTH HAS GROWN MUCH FASTER THAN THE VALUE OF WORK

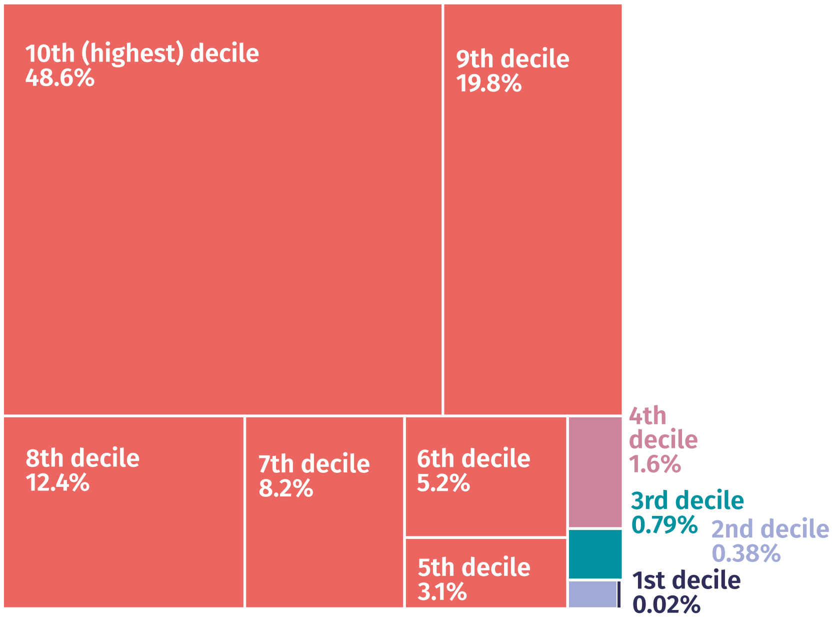
Increase compared to levels in 2000



Source: IPPR analysis of ONS and OECD data

Over the 30-odd years from 1980, the ratio of private wealth to national income steadily doubled, from the typical post-war ratio of about 3:1 to roughly 6:1 by the time of the financial crisis (before going on to rise to something like 7:1) (Mulheirn 2020). This trend represents a huge challenge for social democracy: a different analysis of inequality is needed from that which reduces the whole question to income; the very particular way in which wealth skews life chances needs to be grappled with; a fresh suite of policies is required to narrow the gap. And this challenge is pressing because wealth is always and everywhere much more unequal than earnings: a few sit on unimaginable fortunes, while others own less than nothing.

FIGURE 2: THE FEW, NOT THE MANY – BRITAIN'S DISTRIBUTION OF WEALTH



Source: Wealth and Assets Survey, ONS (2022a)

Official figures confirm (see figure 2) that, even away from the real extremes and the much talked-about 'top 1 per cent', the top tenth owns around half of all wealth, whereas the bottom 30 per cent collectively owns little more than £1 in every £100. This is total wealth, including things like furniture, which virtually everyone has. If we look only at financial wealth, the skew is still more extreme. The tendency of wealth to be more unequal than income is perennial: the issue isn't the rise of wealth inequality as such, but simply the rise of wealth.[1] It *is* the size that counts. Big Wealth is a problem. And Big British Wealth is a particular problem because, as this paper will show, it has swollen because of the wrong sorts of assets growing in the wrong way.

When wealth began to burgeon, few spotted any problem. It took the financial tide to go out for us to see the rot produced in society beneath the surface: stilted individual progress through life; hardening class lines, and, more subtly, the collective misdirecting of effort and investment in a scramble for gains which was, from the point of view of society as a whole, a zero-sum game.

Several things contributed to the post-crisis reckoning.

- Economically, the flipside of the growing weight of wealth in the economy became impossible to ignore: British wages stagnated in an unprecedented and internationally exceptional manner. As 2024 dawned total real pay was marginally lower than in February 2008, some 16 years earlier (ONS 2024a).
- Sociologically, wealth began to exclude, rather than 'welcome in', new owners: those first steps on the housing ladder moved entirely out of reach, condemning millions to costly and insecure private rentals;

1 In truth, it's often hard to make sense of trends in wealth inequality, except over very long periods. It bobs about with relative movements in the price of financial assets (owned overwhelmingly at the top) and of property (which is also owned by the middle). What matters for fairness across society is not any change, simply the perpetually high level: the Gini coefficient for wealth is typically something like twice as high as that for income. So when wealth gets relatively bigger, life feels more unequal.

meanwhile, any hope of achieving a decent pension by saving out of ordinary means evaporated.

- Intellectually, Thomas Piketty's unlikely but perfectly timed blockbuster, *Capital in the 21st Century* (2014), woke the world up not only to the vastly unequal facts, but also to certain dynamics which could – without action – propel us towards a new "patrimonial capitalism".
- Financially, interest rates were cut to their lowest in the 300-year history of the Bank of England in 2009 and remained on the floor for a dozen years. Quantitative Easing went from emergency medicine to chronic dependence. These ultra-loose monetary policies were eventually charged not only with puffing up asset prices for the have-a-lots, but also with stoking resurgent consumer inflation which hammered the have-nots.
- Politically, anaemic growth, ageing demographics and the twin emergencies of the banking crisis and the pandemic have led the UK towards painful fiscal choices, which make it (or should make it) urgent to look for an alternative tax base to squeezed wage packets.

Increasingly, even progressives who aren't chiefly focussed on economic inequality per se are clocking the need to grapple with wealth. Ownership is not only skewed, but skewed in a way that exacerbates all the other faultlines of social injustice. Consider region: the median individual in the prosperous South East owns three times as much as their counterpart in the North East (ONS 2022c). Or gender: the wealth holdings of women are – once officials adjust for 'other factors' – £101,000 lower than for men (ONS 2022a). Or race: the median white person owns four times more than a typical non-white individual (ONS 2022c).

And yet it's fair to say that the political debate remains hazy at best. On its path to power, the Labour party made a few deferential doffs of the cap towards Big Wealth: pointed disavowal of the idea of a general wealth tax (Financial Times 2023) being one case in point. Another, at least rhetorically, was Keir Starmer's insistence at his manifesto launch that "wealth creation is our number-one priority" (BBC 2024).

But there's reason to suspect – and hope – that the W-word was here being used only as the vaguest of synonyms for general prosperity. Labour's mission to "grow" national income is, rightly, concerned with the ongoing flow of prosperity, not accrued stocks of wealth. Indeed, Starmer's compulsive rhetorical emphasis on "working people" could – at a push – be read as hinting at a desire to rebalance rewards back from ownership and towards earning. That would be of a piece with his past remarks about tilting the tax burden towards large shareholders and landlords (BBC 2021). The recent Budget didn't exactly solve the riddle of where the new Government stands on the work/wealth balance, since additional charges on the disposal and inheritance of certain assets arrived in tandem with a sharp rise in the National Insurance due on employment. But Starmer has long been explicit that he hopes house prices will fall relative to incomes (Guardian 2023): smaller wealth, in other words.

Political language is rarely precise. But now that Labour is no longer merely campaigning but in government and hoping to build a fairer society, the mixed past messaging underscores the need to think the wealth question through with rigour: properly defining terms; pinpointing the ways in which wealth may be displacing work; taking stock of the grim social consequences; figuring out the particular progressive response that these warrant, and highlighting the potential political pitfalls. The remainder of this essay deals briefly with each of these tasks, and concludes by sketching out a multi-layered strategy for handling wealth. This cannot only be about making sure wealth pays its way – important though taxation is – but must also involve grasping hold of the full array of levers that influence the sorts of assets we build. Get it right, and we can draw a line under wealth that is displacing work, and instead move towards a wealth that works for all.

TERMS AND (CHANGING) CONDITIONS

Settling on a definition of wealth seems an obvious preliminary to applying it as a lens to our society. But sprawling scholarly arguments about pinning down one close cousin term – capital – provide a cautionary tale. For Adam Smith, the essence of capital was the expectation of future revenue (Smith 1776), for Karl Marx it was at heart about “the exploitation and subjection of the labourer” (Marx 1887 [1867]), while for George Bernard Shaw capital was simply “spare money” (Shaw 1928). Great minds devoted entire treatise to adjudicating between such definitions (for example Fisher 1904), even before new conceptual thickets were added by accounting processes for distinguishing working capital, financial capital and fixed capital.

Fortunately for our purposes, ‘wealth’ is more of an everyday term, typically used in a domestic context. It can thus paper over the conceptual cracks, and sidestep arcane arguments about its precise role in the production process. But – take note – we’ll need to come back to some of those. For the moment let’s take the plunge, and spell out the core characteristics.

Wealth is a stock of value, as distinct from an ongoing flow of income, and something which individuals – or successive generations in a family – can draw on over time. It is a term used when talking about assets from the point of view of the possessor, rather than those who work with or service those assets. It may be more or less liquid, but always provides the owner with material security. By contrast with capital, which is bound up with the notion of depreciation as much as accumulation, wealth often endures. It can, of course, be spent and run down, but it can often – like those ‘high-earning’ London houses of the 2000s – sit back and swell.

Whatever else it may be, wealth isn’t new. On a 300- or 400-year view, our new era of Big Wealth looks less exceptional than the half-century up to the 1980s, during which war and other convulsions helped ‘work’ find its muscle, when assets loomed less large. Landed property and then industrial capital had previously defined deep class lines through history. Piketty (2014) reports that the sort of wealth-to-national-income ratios causing concern in Britain and France during the 2010s, of the order of 7:1, were normal in both countries right through the 18th and 19th centuries. Through allusions to the novels of Austen and Balzac, the economist highlights the “hidden contours” of historic wealth and their “inevitable implications for the lives of men and women”, including their “marriages”, “hopes” and “disappointments”.

The obvious advantages conferred by wealth were always accompanied by progressive worries about such warping effects. It was a radical liberal, Thomas Paine (1792), who first voiced the concern that the great wealth of some came at the cost of the natural rights of others, and sketched out a progressive wealth tax to put this right. It was a celebrated anarchist, Pierre-Joseph Proudhon (1840), who coined the explosive one-liner: “property is theft” or, in some translations, “property is robbery”. In Marxist economics, one wealth-related problem – over-accumulation – drives capitalist instability. Less remembered is the young philosopher’s anxiety about the way Mammon has of narrowing the human condition, with “all passions and all activity” being “submerged in avarice” (Marx 1993 [1844]).

Amid the advance of political and industrial democracy in the early 20th century, progressive thinking gained purchase: in the UK, the People's Budget of 1909 was an archetypal effort to rebalance the social settlement away from wealth and towards the worker. The demands of mobilisation for two world wars and then two reconstructions necessitated clipping the wings of wealth; the post-war decades of strong wage growth followed. But even as all this unfolded, the seeds of a new settlement were already being sown – the settlement in which wealth has proved resurgent. If wealth in the age of Austen often boiled down to great aristocratic estates, and in the age of Dickens to ownership of giant mills and machines, during the 20th century it seemed (at least) to be evolving into something more democratic.

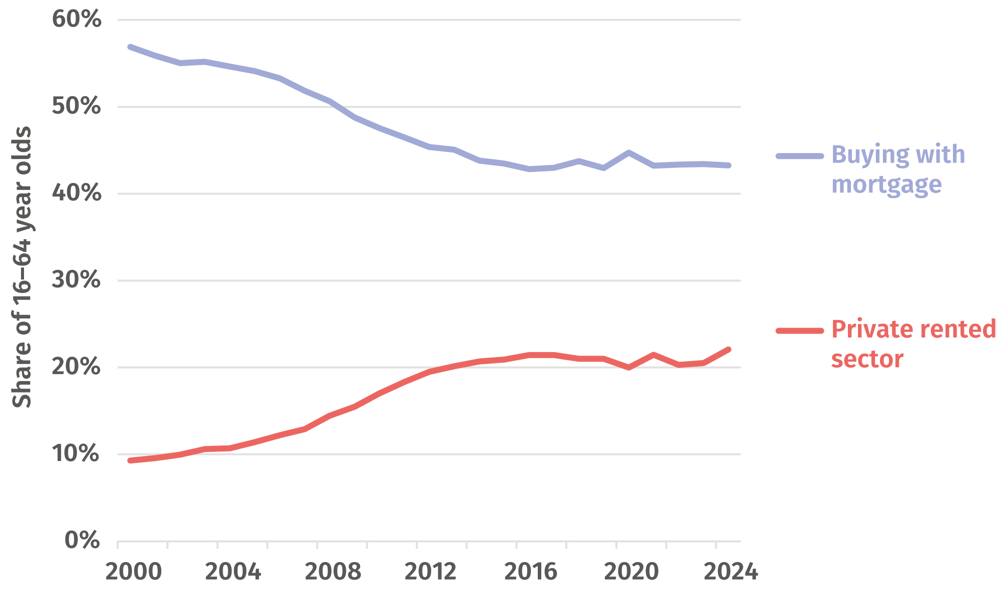
A rising tide of homeownership seemed unstoppable. Barring a Blitz-induced blip, every successive census revealed more than the last: owner-occupation rose from just 10 per cent at the start of the First World War to around 70 per cent by 1991 (House of Commons Library 1999). The supposedly popular capitalism of the Thatcher privatisations didn't change the picture that much – shares were bought by the better-off, and mostly sold on by all but the richest – but there was a huge second shift in the spread of occupational pensions. Coverage rose from one-eighth of the workforce in 1936 to around half by the 1980s, and in increasingly generous schemes (Green 1982; Disney, Emmerson and Tanner 1999).

These were seismic, big-picture shifts. (However prominent exotic financial assets and private businesses might be in discussing the new super-rich, even today 78 per cent of total household wealth is accounted for by property and pensions, ONS 2022b.) Wealth was still much more unequal than income, but it looked to be becoming more equal than it had been: the share hoarded by Britain's top 10 per cent and top 1 per cent declined steadily from the First World War through to the 1970s (Piketty 2014). In the face of all the benign trends, and with the continuing buoyancy of real wages annulling the old opposition between wealth and work, progressives pivoted from challenging wealth to championing its spread. After all, who wouldn't want to encourage the assets needed to support people through longer retirements? Or – via homeownership – to liberate families from paying rent?

The sociological judgement underlying New Labour, and the Third Way internationally, was that traditional left-wing pitches were doomed now that most voters had assets to protect: the centre-left was navigating a society where owners were in the majority, and it expected them to become an ever greater majority. Seeking to shape and accelerate the trend towards wider ownership looked a shrewder progressive bet than hunkering down behind ever-retreating class lines. Michael Sherraden's 1991 book *Assets and the Poor* sparked international excitement about so-called "asset-based welfare" policies. Tony Blair's second manifesto (Labour party 2001) expressly promised to make "assets" a "fourth pillar" of the welfare state. A Child Trust Fund was duly enacted.

But in the end, on both sides of the Atlantic, reforms of that sort were rapidly reversed amid general retrenchments with barely a squeak of protest (Clark 2023). Looking back, we can see that these schemes were overwhelmed by the turning of the tide away from democratised wealth. They were designed when a 70:30 society of have-somethings against have-nothings was expected to become an 80:20 society. Instead, what unfolded was a lurch back towards a 60:40 society. The starkest manifestation is the collapse in home-buying: figure 3 shows the sharp 21st-century 'swing' of more than 10 percentage points of the entire working-age population out of mortgaged properties and into private rentals. Over the past 20 years, the proportion of 35–64-year-olds in private rented accommodation has almost tripled. It has almost doubled for 25–34-year-olds, and grown from 46 per cent to 74 per cent for 16–24-year-olds (IPPR analysis of departmental statistics).

FIGURE 3: THE STAKELESS SOCIETY – THE SLIDE FROM HOME-BUYING TO PRIVATE RENTALS



Source: Joseph Rowntree Foundation analysis of the Labour Force Survey, updated and adapted from Clark and Wenham (2022)

In the context of pensions wealth, modest auto-enrolment schemes ameliorate the recent position, but focus on decent pensions that afford a comfortable retirement, and the last generation has again witnessed slippage. As for liquid assets, multiple official surveys before the pandemic classed growing numbers of households as having no savings (Clark and Wenham 2022). One in four households are estimated to have less than £100 set aside for a rainy day; one in six nothing at all (Money & Pensions Service 2022).

The effects of this drift are pervasive. Being on the wrong side of the ownership divide – whether as a renter or as someone with only minimal savings – is associated with myriad mental health warning flags. Self-reported sleep loss, impaired socialising and low self-esteem are twice or more as common as among homeowners and substantial savers (Clark and Wenham 2022). Politics is starting to sense this. Witness the emergence of "security" and even "securonomics" as 2024 election buzzwords. Regardless of how such talk cashes in as policy, the rhetoric itself can be read as a recognition that too many voters are trying to navigate a world shaped by wealth without themselves enjoying any protective buffer.

OPPORTUNITY KNOCKED

Big Wealth creates what – at first blush – might look like big opportunities. If, in particular, it unlocks deep investment in education, then the standard neoclassical economic account (Becker 1962) promises enhanced "human capital", boosting productivity and, before long, wages. That should give us a story not of wealth displacing work, but of wealth facilitating better work. (Though, of course, there will be a question about better work for whom.)

Certainly, there are a range of channels – outstanding kindergartens, home tuition, ‘enriching’ activities, private schools, elite universities – by which the burgeoning financial resources of well-to-do parents are channelled into the attainment of their offspring. One marker is the 55 per cent real-terms increase in British private school fees over the last 20 years (Sibetia 2023), a contrast with 15 years of stagnation in spending on state school pupils.

But even as he marvels at the effectiveness of all such “investment” in the US, Daniel Markovits (2019) fears it is creating a “meritocracy trap”, in which privileged youngsters can perform with spectacular efficiency, although only at the price of them working with a “crushing intensity” that renders them miserable. Faiza Shaheen (2023) takes an even bleaker view. She doesn’t see any productivity boon from all the costly grooming, instead stressing its role in merely “signalling” suitability for top jobs, introducing youngsters to privileged social circles, and inculcating a confidence in their own abilities, which – even when misplaced – is alluring to employers.

Irrespective of whether parental wealth is truly stretching ability or merely entrenching advantage, its effects over the course of individual lives are apparent. Investment at one step on the ladder of learning helps with reaching the next. Top universities including St Andrews, Imperial College, Edinburgh and Oxford take over 30 per cent of their UK students from private schools (The Tab 2023), around double the 17 per cent private school share of all sixth formers (IoE 2019). In the US, for all the bursaries to support ‘needs-blind’ admissions in the Ivy League, Markovits reports that more places at Harvard and Yale go to students from the top 1 per cent income bracket than the entire bottom half of American society.

Admittedly, this particular metric concerns income rather than wealth, but all that investment in education contributes towards another twist – Big Wealth is enabling a lucky minority to enjoy more income, earned as well as unearned. Yonatan Berman and Branko Milanovic (2023) have coined a new word – “homoploutia” – to describe the same people enjoying an abundance of both capital and labour income. A development that would have baffled Marx, homoploutia accounts for 20 per cent of the overall widening of the American income gap since 1986. Looking ahead, if the wealthy can ensure their children don’t merely inherit more, but also earn ever more than their peers, expect social sclerosis.

There is burgeoning evidence from across the life course that this is exactly what Big Wealth is delivering in the UK. Wealth is strongly persistent across generations, and compounds the traditional story of class advantage because it is more persistent than earnings, especially at the top end (Davenport, Levell and Sturrock 2021). Children of wealthy parents receive more higher education, earn more, save more and – as shown by Boileau and Sturrock (2023a) – receive vastly more in financial gifts.

Sure enough, all this determines who does – and who doesn’t – get to buy a house. The collapse in homeownership among younger cohorts is familiar; the incidence of that collapse across society is less understood. The absolute fall in owner-occupation of under-40s raised in rented homes themselves has been twice the drop for those whose parents owned, and from a lower base. All told, under-40s who were raised in rentals now have less than half the chance of their contemporaries to own (Boileau and Sturrock 2023b). Housing wealth begets housing wealth.

All this plays out before we get to the typical age for inheritance. Inevitably, those at the top bag bigger bequests, and the value of the unequal windfalls have surged:

whereas for those born in the 1960s, inheritances typically represent a boost worth 8 per cent of average earnings, for the 1980s cohort that is projected to rise to 14 per cent. Those on the wrong side of this divide can no longer catch up by putting in longer shifts. Among the 1980s cohort, one in six are in line for an inheritance worth more than 10 years' worth of average earnings among their contemporaries (Bourquin, Joyce and Sturrock 2023).

In sum, Labour's "mission" to "break down the barriers to opportunity… and shatter the class ceiling" (Labour party 2023) will be mission impossible without some sort of reckoning with the wealth question. Its effects will be seen on those very gauges, of how far people travel from the station in life they were born into, that Labour's mission statement admirably commits to monitoring. Free breakfast clubs and some extra teachers are important for ensuring decently fed pupils in adequately staffed classrooms, but such steps will not and cannot overpower the logic of the myriad channels by which, we have seen, wealth transforms itself into advantage. Many of the facts quoted have been unearthed at the Institute for Fiscal Studies where director Paul Johnson suggests a dark mantra for our age: "Choose your parents wisely."

POOR RETURNS

Big Wealth's impressive results in entrenching the position of life's luckier families, then, imply poor collective 'returns' for any society serious about widely spread opportunity. There are also more insidious effects on the culture.

When some, but very definitely not all, enjoy a robust platform of material security from which to try risky things, that skews the composition of the creative professions. Wealthy parents with spacious homes, for example, can offer board and lodgings through the long spells between acting jobs, which is invaluable for building a stellar career. A systematic sociological study (Friedman, O'Brien and Laurison 2016) quantitatively bears out this intuition – and explains the disproportionate number of old Etonians on our TV screens. Through in-depth interviews, the same study also lays bare a gulf of experience between aspiring performers with wealthy parents – one confiding the importance of being able to "call Mum" – and working-class hopefuls stuck in dead-end jobs to pay the bills in flats far from any theatre, a way of living which one describes as "skydiving without a parachute".

There's a parallel story in respect of the risky business of innovation. An analysis of over a million patent records in the US (Bell et al 2019) found children from "top 1 per cent" families were 10 times more likely to end up as inventors, a huge difference that withstood adjustment for innate mathematical ability, inspiring the authors to muse about "lost Einsteins". Likewise, among Britain's scientific elite, "recruitment from working-class families has declined and for most recent birth cohorts almost ceased" (Bukodi, Goldthorpe and Steinberg 2022).

While all these studies are surely picking up wealth effects, they are not expressly focussed on them. But by crunching 130 years' worth of entries in that great national bible of British snobbery *Who's Who*, Reeves and Friedman (2024) have directly and very specifically confirmed that children of the *wealthiest* 1 per cent are heavily over-represented right across the top echelons of British professional life. Always strong, the "propulsive power of wealth" has not recently diminished but grown – the proportion of *Who's Who* entrants with super-rich parents has actually risen since the 1990s.

An economy where Big Wealth beats talent to top jobs, where potentially brilliant inventors and entrepreneurs are denied their chance to shine, will not hum as it should. Worse, Big Wealth also distorts the way things are run.

Since the financial crisis, there have been fears about the governance of "asset economies" being complicated and compromised by "speculative valuation and debt-driven financing" (Adkins, Cooper and Konings 2020). Even as central banks were given heightened responsibilities in respect of 'stability' – with various new surveillance duties and, for example, the inception of the Bank of England's Financial Policy Committee in 2010 – they were puffing up asset bubbles with made-up Quantitative Easing (QE) money.

The radical economist Ann Pettifor (2021) traces the roots of this paradox to the post-1980s expectation around the western world that retirements must be funded by private savings. This, she says, necessitated burgeoning wealth stocks. In response, scarcely regulated "shadow-banks" grew up to handle funds on a scale that would make high-street deposit banks and their Treasury underwriters balk. These novel institutions steadily became too big to fail for the wider economy. Thus, finally, we end up with routine recourse to supposedly emergency treatments such as QE to keep up the prices of assets – and keep afloat the shadow-banks that hold them.

The distortions even extend to international relations. In a pair of books, Oliver Bullough (2018, 2022) documents the extraordinary web of activities through which the City of London hides and launders ill-gotten gains from around the globe, plus the resulting temptations for Britain – as "Butler to the World" – to indulge tax havens, Russian oligarchs and Middle Eastern despots.

GOTTA GET POLITICAL

Entanglement with overseas kleptocrats is surely a hindrance for a serious pro-security foreign policy. Public responsibility for institutions of Big Wealth that the public cannot directly regulate sounds like bad news for financial stability. And a plutocratic economy is inevitably an impediment for hopes of a society where everyone gets a fair crack of the whip. Big Wealth, then, risks frustrating almost all the most important ambitions of the 2024 Labour government as the prime minister has described them. If that weren't reason enough to grip it, self-interest should help politicians on all sides grasp its importance.

A close look at the election results reveals how wealth is reshaping the nature of the political game – although not in ways that make that game any more straightforward to win. Before the rise of Big Wealth, the most quoted single line on UK psephology was Peter Pulzer's (1967[1972]): "Class is the basis of British party politics, all else is embellishment and detail." By class, it was always understood we were talking about occupational grade; the debate was about how to define that divide: manual/non-manual, salariat/weekly wage-packet, or something else.

At today's ballot box, by contrast, wealth has rendered work "embellishment and detail". Focaldata's (2024) post-election crunch of voluminous campaign polling reveals that whereas Labour's vote share is now within a point or two across all the occupational grades, renters are fully 17 percentage points more likely to back the party the party than (wealthier and more Conservative-leaning) outright homeowners. Then there is an extraordinary age divide, fashionably brushed off as a front of 'culture war', but also perfectly intelligible as an embodiment of the split between the cohorts that own the properties, pensions and wider wealth, and the cohorts that don't. The Labour share among under-35s (around 48 per cent) was more than double the score it managed among pensioners.

A wealth lens also helps make sense of Labour's extraordinary internal convulsions of the last decade, which have taken it from respectability to radicalism and back again. Despite the party's crushing defeat in 2019, it is important to remain curious about how on earth the Corbyn surge of new members and – in 2017 – new voters could happen. After all, the conventional Westminster wisdom of the early 2010s was that such a thing was impossible, especially under an unlikely frontman. But Corbynism found a constituency, very largely among the growing numbers on the wrong side of the wealth divide. Free university tuition promised to wipe out a major source of negative wealth, and as time went by the party toyed with ever-more radical wealth policies, including the extension of a discounted right-to-buy from private landlords for their tenants, and a phased transfer of 10 per cent of equity from corporate shareholders to the workforce (Financial Times 2019).

A wealth prism helps understand both rising interest in such schemes, and the fact that they ultimately failed to carry the day. In a society where the numbers with wealth had stopped advancing and started slipping back, there was likely to be a constituency for strident policies to redistribute its privileges. At the same time, in a society where – using the example of housing – the balance is still roughly 60:40 in favour of the 'own-somethings' over the 'own-nothings', it is no surprise that this coalition ultimately proved to be a losing one.

There is scope for political error in both directions here: forget that the UK remains, on balance, a country of homeowners and run a 'people before property' campaign that might have worked in 1945 and you're fated to lose; but fail to take account of the retreating breadth of ownership and you're left with no answers to many pressing social problems, and indeed nothing to say to the young and the marginalised who must animate and sustain any serious progressive project.

THREE WAYS FORWARD

Having established the need to grapple with wealth, but also the fraught politics of so doing, the next question is: "But how?"

The preliminary – and easy – injunction is to stay informed. With Big Wealth casting a wide pall, the evolving wealth-to-income ratio must be carefully monitored – especially in an environment of rapidly changing interest rates. Rises mechanically curb the value of some assets (bonds and annuities) and pretty directly depress others (shares and, through mortgage costs, property) while increasing returns on (less significant) money deposit accounts. Shrewd politicians will be mulling the very different path that the ratio could take depending on where rates settle: projections suggest it could either fall back to something like the 11:2 of the early 2000s, or surge towards a new record, of as much as 10:1 (Broome, Mulheirn and Pittaway 2023). Big Wealth, in other words, could get somewhat less big or end up bigger than ever. That difference matters: the appropriate (and winning) policy mix will be different in those two worlds. Either way, though, wealth will remain much more important than it was when work defined the social order.

Yet policy cannot easily cut Big Wealth down to size by simply targeting a lower ratio. Tax can – and should – support some reduction, but interest rates are the main determinant. They are already a busy tool, being used to ward off recessions and control inflation: if they were set to work on targeting the wealth ratio, too, something else would have to give. Even if that tool were free to use, the appropriate target would be debatable: in our ageing society we probably need somewhat more wealth to support longer retirements than we needed in 1980, although who knows exactly how much more? More fundamentally, 'wealth destruction' would be an abjectly ruinous political pitch, and ruinous economics, too, when there are so palpably assets that society needs to create. We need to find a less direct route towards the advantages of relatively bigger incomes and smaller wealth.

The ingredients of a suitable strategy can be grouped under three broad headings:

- making Big Wealth pay its way

- adapting to Big Wealth
- quality of wealth.

Making Big Wealth pay its way

The first strategic response involves making Big Wealth pay its way. Over the decades during which wealth has more than doubled relative to Gross Domestic Product (GDP), the share of national income collected in taxes on wealth has flatlined (Resolution Foundation 2023). That can't be anything but unfair on work, and it's no longer the preserve of the left to realise that this imbalance cannot stand. Matthew D'Ancona, a journalist associated with Cameronian Conservatism, wrote in 2023: "Any centrist who does not support and argue for a wealth tax is kidding themselves."

But it's worth pausing on the difficulties – particularly for hopes that a bit of bravery here can enable a transformative sharing around of assets. Proposals in this area tend to be either too big or too small. The Third Way 'asset-based welfare' wave was beset by the second problem. Enthusiasts fondly imagined enabling disadvantaged youngsters to invest in property, education and business start-ups, just like the more privileged, but never offered funds on the scale required to level the playing field of life. Consider one surviving American scheme, CalKIDS: the California Kids Investment and Development Savings Program, billed as the "first step toward college" for all (California 2024). It offers $100 (£79) for a newborn, boosted by $75 (£59) when more organised families jump through a couple of extra hoops – yet this is a drop in the ocean for anyone with ambitions for the Ivy League, where fees are around $60,000 (£47,000) every year. Nor, one might think, is the $500 (£395) top-up earmarked for "homeless youth" likely to even things out.

New Labour's now abolished Child Trust Fund was a little more substantial: median wealth on turning 18 among the first cohort who received it was around £1,200 compared to £100 for those who had come of age just before (Crawford and Emmerson 2020). But even that boost of around £1,000, and more for those cases identified for targeted top-ups, was dwarfed by £27,750 of tuition fees now due on a standard three-year degree, and indeed the 10 per cent deposit requirement on the average UK home – worth £281,913 in January 2024 (Land Registry 2024). In the Big Wealth age, modest giveaways just aren't enough to clear the gilded barriers to opportunity.

Thomas Piketty's response is to go large. His second major book (2020) moves on from diagnosis to radical prescription. Instead of scrimping around for loose fiscal change to fund little asset schemes, he proposes dramatically increasing inheritance taxes to finance the distribution of €120,000 (£102,000) endowments to all adults at age 25. Redistribution like that really could extend a cushion of security far and wide, levering open the property market and democratising the chance to explore risky careers.

It would also involve going to war with Big Wealth. Politicians will be wary, not only because of the brute clout of the own-a-lots, but also their daunting record in aligning their own interests in the public mind with the own-something majority. Consider estate duties – never paid by more than a small minority, yet always mistrusted by many more. Back in 2007, George Osborne somehow sold an inheritance tax cut, whose full value was *only* enjoyed by millionaires, as meaning that "in a Conservative Britain, only millionaires will pay death duties" (Osborne 2007). This audacious move was credited with Gordon Brown's fateful deferral of a planned general election. In the US, after plutocratic campaigns rebranded estate duty as the "death tax", George W Bush was able to hack it right back (Graetz and Shapiro 2005); he came within an ace of permanently abolishing it.

Political jitters, then, are understandable, but the stricken public finances will toughen resolve. Although the recent budget raised most of the revenue that the government needed from taxes on work, an important contribution from wealth was also sought, through higher charges on capital gains, additional homes and previously tax-privileged inheritances. We must hope that these adjustments prove to be the start of a broader fiscal conversation that's long overdue. Over the years ahead, various tricky dilemmas will need to be thrashed out: the optimal balance between Big Wealth and modest wealth in the tax base; whether to pursue the purist path of Piketty by taxing all assets, or pragmatically concentrate on those, like land and property, that cannot run away.

But here's the brutal coda. Even if all these details are got right, the revenues raised will have so many pressing claims on them – infrastructure investment in a stagnant economy, security in a dangerous world, pensions and healthcare in an ageing country, poverty prevention in an unequal society – that ambitious asset redistribution schemes won't get a look-in. We'll be looking at the 'de-distribution' rather than the 're-distribution' of wealth for a time to come.

Adapting to Big Wealth

A second strategic priority must therefore be – to borrow from the parlance of climate policy – adapting to Big Wealth, so as to contain the worst of its warping effects. By pooling those risks which personal riches currently offer unique protection against, we could reduce the exposure of those who lack them. One case would be the catastrophically costly social care bills that a minority of us are fated to run up, and which the Dilnot Commission's long-parked plan for a cap was designed to contain (Commission on Funding of Care and Support 2011). Although universally welcomed, this proposal has languished for 13 years because there has always seemed to be some other more pressing demand on the Treasury. By foregrounding the ruinous drop down the wealth distribution that extreme care costs impose on some families, a wealth lens may change that judgement. Pooling risks and resources in many other contexts – for example, through stronger social insurance and more social tenancies – could smooth more of the roughest edges of the Big Wealth age.

But – just as with redistribution – a reality check is required on the prospects for early progress. The most direct and important way to pool risks and resources is through tax and public expenditure. Regulation, voluntary associations, employer initiatives, even commercial insurance may all have some role, and it is important to think through any potential they've got. But there's no escaping the reality that all the obvious fixes we've mooted – capped care costs, more public housing and more generous social insurance – imply additional public expenditure. These moves might stand a better chance of defying the harsh fiscal environment than novel schemes for asset endowments, but that environment will nonetheless slow the rate of progress.

Quality of wealth

A decisive response to the Big Wealth age thus needs to identify a third front, where advances can be made through more diverse means. Grappling with the quality as well as the quantity of wealth represents precisely that. And by aligning the interests of workers with some (though not all) owners, a more discriminating approach to assets also opens the scope for new coalitions, expanding the scope of the politically possible. Admittedly, disaggregating between forms of wealth means some of those thorny dilemmas we initially ducked by discussing wealth rather than capital will rear their heads anew. But it needs to be done. After all, in Georgian times, the sugar economy of Jamaica contained wealth equivalent to 10 per cent of all that in England and Wales: an awful lot of that vast island 'wealth' was accounted for by chattel slaves (Burg and Hudson 2023). Neutrality on the composition isn't sustainable.

WHAT SORT OF WEALTH?

There are, plainly, types of assets that progressives must seek to build – homes in which we can live, factories in which we can produce, organisations in which we can work efficiently. There are others, such as biodiversity and a healthy environment, which we are duty-bound not only to exploit, but also to conserve. And yet the Big Wealth era has not helped on any of these fronts, instead being marked by disappointing returns to work, exorbitant housing and environmental degradation. We have grown the wrong type of wealth – in the wrong way.

Those vigorous virtues – of thrift, industry and prudent investment – that stubborn Victorian lines of thought still vaguely connect with wealth have played no part in its British resurgence. Forget the squirrelling of funds in building society accounts: our savings ratio has long been one of the lowest in the "developed" world (OECD 2024). On the Balance of Payments, Britain has been continually in the red on the current account since 1984 (ONS 2024b). Capital investment reconciles work with wealth when it allows people to earn more, but that isn't what Britain has been doing. Low aggregate investment has been a recurrent worry ever since the public component plunged in the late 1970s; since the Brexit vote, depressed business investment has been an acute concern (Resolution Foundation 2023).

This unmooring of wealth stocks from what (with quaint faith in the separability of the substantial from the speculative) is sometimes still called the 'real economy' is not just a British phenomenon. At the depth of the Euro-crisis, the European Central Bank (ECB) reported stricken Cyprus recording higher average household wealth than Germany, from which it was then begging for a bailout (Peterson Institute 2013). This prompted head-scratching and heated arguments, but in truth these contrasts revealed only how hopeless household wealth is as a guide to economic muscle and material welfare (Ji and De Grauwe 2013).

The Cyprus paradox – like the wider rise of wealth – is explained not by the creation of new assets, but the inflating of established ones, pre-eminently real estate. As Mark Twain well understood ("buy land, they're not making it anymore"), this is a process divorced from the production of anything. Although Piketty (2014) did not emphasise it, a close look at his charts reveals how in some countries – the UK among them – the rising value of land and buildings alone overwhelmingly accounts for the general growth in wealth stocks. Adair Turner (2015) pinpoints rocketing urban land prices as the real driver, produced – he suggests – by a mismatch between the insatiable nature of the demand to live in the "nice" parts of town, and the inescapably limited supply of space there.

So Big Wealth can be a story of collective scarcity rather than the abundance it's sometimes used as a synonym for by Starmer and others. Its story is one of value, not volume, a tale of prices, not production – which is how it has burgeoned in a spendthrift and underinvesting society. Some politicians have seemed pretty relaxed about this order of things. George Osborne was reported as quipping to the coalition cabinet that: "Hopefully we will get a little housing boom and everyone will be happy as property values go up" (The Independent 2013).

Progressives cannot afford such complacency. What they need instead is a framework for disentangling the creation of new and socially purposeful assets, from wealth that reflects scarcity or obligations upon somebody else. This isn't a distinction on which modern economics offers much guidance. It is more fruitful to look back to an earlier generation of thinkers.

VALUABLE PROPERTIES

RH Tawney's (1921) interrogation of the great spectrum of institutions described by the single term "property", from the socially "functional" to the purely "acquisitive", can be an inspiration. At one end of his range are small peasant landholdings or tools of artisans, things indispensable to their work; at the other extreme could be a lucrative share in the title-deed of land on which somebody else is organising the extraction of gold or coal. In between, are socially negotiated arrangements, such as time-limited patents contrived to crystalise property from an idea. Liberal ideologues since Locke had dressed up all property in inalienable rights; Communists uniformly condemned it as exploitation. Tawney rejects both positions and instead grapples with the variety of "properties" in the light of social needs.

With wealth we might usefully do what Tawney did with property and "discriminate between the various concrete embodiments of what, in itself, is, after all, little more than an abstraction", settling on criteria to sift truly useful assets from less worthy riches arising from inflating or taking. Exactly which forms of wealth a society should seek to support is a question that warrants profound – and difficult – deliberation. There will be fuzzy boundaries, and an inevitable clash of perspectives: any wealth, after all, will have use to the owner; some owners of 'bad' wealth may use it to do 'good' things.

I can't do more here than sketch out provisional thoughts on some potential criteria. But in that spirit, and in no way exhaustively, I would suggest that policy might want to support the following.

- Wealth that arises through the creation of a new asset in the world, rather than that (think Bitcoin, and arguably also bullion and prime real estate) which is more the product of scarcity than anything else.
- Wealth that gives rise to demonstrably additional income, and not that which (for example through rent) essentially diverts income from one person to another.
- Wealth that is compatible with a sustainable environment and the good life more broadly, not that (think of shares in a polluting company) which degrades those things.

Still not exhaustively, but more controversially, because the argument here depends on political or difficult technical judgements, we might prefer:

- Wealth that can be more reliably tracked and taxed, to that which can shift shape and slip between jurisdictions.
- Wealth held in forms where downside risks sit squarely with the owner, rather than that in forms where a serious wobble may threaten scary spillovers and necessitate public bailouts.
- Wealth that facilitates finance for places and activities that demonstrably need it, rather than that (for example, arcane derivatives) which arises from contracts and trades whose ultimate function is obscure.
- Wealth that creates 'good jobs' (for example, a new design studio) rather than simply displacing labour (for example, automated cars).

The very framing of that last 'good job' point reveals how familiar the quality test is with employment, and – by extension – the in-principle scope for a parallel good wealth/bad wealth distinction. But the same bulletpoint underscores the difficulty of moving from theory to practice. Newly crowned Nobel laureates Daron Acemoglu and Simon Johnson (2023) have eloquently set out the scope for "steering" technology and asset development towards better jobs, but others air deep scepticism about managing the inherently uncertain business of innovation. There are also value judgements here: some will be less concerned about ‘the wrong sort of robots’ displacing jobs and earnings, and more excited about extending the potential for leisure by automating as much work as possible. I can’t settle the arguments about what sorts of assets — and what type of wealth — we should want to build, but I can insist they are arguments worth having.

WEALTH OF OPTIONS

In a multi-pronged strategy, an array of policy levers become pertinent because the scale and the nature of wealth are shaped by a host of social arrangements. To see how far-ranging a reckoning could be catalysed simply by putting wealth front of mind, just consider housing.

Sometimes, the wealth prism is essentially useful for illuminating a tricky dilemma. Restrictions on new build, for example in the green belt, usefully conserves amenity (in other words, shared ‘natural wealth’) but at the expense of restricting supply, and thereby pushing up prices and tilting the balance of housing wealth from the ‘created’ towards the ‘inflated’. The subsidised sale of council houses under right-to-buy turns public wealth into private wealth enriching some former tenants, but — absent adequate replacement — with adverse consequences on anyone hoping to rely on that public wealth later.

Sometimes, however, a wealth prism points more clearly towards a solution, by exposing the isolation of particular vested interests against the broader public interest. The compulsory purchasing regime, for example, determines how far the wealth embodied in new housing will be captured by lucky farmers who own those fields whose value is multiplied several fold by the bureaucratic pen that designates them for the bulldozer. A country crying out for homes should not defer to them. The 1988 Housing Act increased the value of housing wealth to landlords by empowering them to rapidly clear out, on a no-fault basis, any tenant judged to be frustrating their maximising of rental returns. This provision exemplifies the way that laws affect how far — or not — wealth can be accrued by curbing security or raising obligations on somebody else. The new government has, quite rightly, earmarked it for the chop.

The relevant policies for tackling both the quality and quantity of wealth must very much include, but in no way be restricted to, tax. Indeed, it is as well to be alert to the potential difficulties in leaning too heavily on the tax lever alone for engineering the wealth mix. The City is always full of people who are ingenious at responding to tax breaks for one form of wealth by devising ingenious ways to win the more favourable designation for whatever assets they manage. Deploying a wider range of policies reduces the dangers of being gamed by Big Wealth.

But there is one exciting potential future opening on the fiscal front — even if Donald Trump's election in the US puts the brakes on hopes for early progress. Instead of being a butler to the world’s riches, the UK could put efforts to track and tax wealth properly at the heart of foreign policy. Not long ago, this would have sounded like a forlorn hope, but the last few years have seen progress towards cross-national coordination on taxing corporations, which can serve as a precedent for doing the same with wealthy individuals (Financial Times 2024). Throughout the long neoliberal age, nothing has inhibited progressive visions more than the fear that footloose, border-straddling capital was beyond political reach. If Britain can help to draw a line under that fear, it will not merely confirm the country is serious about moving on from the Big Wealth era, but it could eventually help the world as a whole to do the same.

BACK TO WORK

From demarking the domain of intellectual property to determining the circumstances when a pension can and cannot be inherited, state decisions affect the size, the spread and the quality of wealth. By keeping a wealth prism determinedly in mind, different judgements will be reached and – over time – we can isolate and act against those assets that are based on nothing but inflating and taking, while fostering those that can work for the many as well as the few. In the process, we can begin to restore the importance of earning relative to owning, and help work restore its pre-eminence over wealth.

In concluding, I'm conscious of having further opened the wealth question back up, rather than nailing it shut. But given the morass of public policies that bear on the quantity, quality, distribution of and returns to wealth, a single answer is just not tenable. While I hope I have provided a few useful prompts on specific policies that condition the wealth mix, the main takeaway is simply to keep wealth in mind when making decisions of every sort.

Politicians, officials and social scientists still tend to give a primacy to work and the labour market in thinking about how society is arranged, and how opportunity might be extended. In reality, along with everything else that it warps, Big Wealth strongly conditions the labour market. We still imagine economic progress as playing out via people going to the places where there are more gainful jobs to be had. But the 21st-century reality is that more changes of address are towards lower productivity areas (Resolution Foundation 2023) because the rents and the prices commanded by property wealth in the growth hotspots gobble up all the gains from moving there. Instead of the turn-of-the century joke about London homes 'earning' more than their residents, then, we find the vast riches embodied in property distorting how and where human beings can earn.

Through such means, Big Wealth condemns us to a more sclerotic economy as well as a more class-bound society. Putting wealth back in its place is indeed an important goal, but in light of its shape-shifting qualities, the way to do that must involve a multi-layered strategy, encompassing the full range of policies that have allowed Big Wealth to get out of hand. There will be specific implications for tax, housing, social security and economic regulation. But the general injunction is simply to keep Big Wealth in mind, and tackle its darker consequences at every opportunity. Do that and, over time, we can get wealth working for all of us – and get out of the trap where too many are toiling away on behalf of wealth they are never going to share in.

REFERENCES

Acemoglu D and Johnson S (2023) *Power and Progress: Our Thousand-Year Struggle over Technology and Prosperity*, London: Basic Books

Adkins L, Cooper M and Konings M (2020) *The Asset Economy*, Cambridge, UK and Medford, Massachusetts: Polity Press

BBC (2021) 'Tax on Landlords Could Help Pay for Social Care, says Keir Starmer.' https://www.bbc.co.uk/news/uk-politics-58516799

BBC (2024) 'Starmer Banks on Economic Growth to "Rebuild Britain".' https://www.bbc.co.uk/news/articles/clll8d2vd8yo

Becker GS (1962) 'Investment in Human Capital: A Theoretical Analysis', *Journal of Political Economy*, Vol. 70, No. 5, Part 2, pp9-49. https://www.journals.uchicago.edu/doi/abs/10.1086/258724

Bell A, Chetty R, Jaravel X, Neviana P and Van Reenen J (2019) 'Who Becomes an Inventor in America? The importance of exposure to innovation', *The Quarterly Journal of Economics*, Vol 134: No. 2, pp647-713. https://doi.org/10.1093/qje/qjy028

Berman Y and Milanovic B (2023) 'Homoploutia: Top Labor and Capital Incomes in the United States, 1950–2020', *The Review of Income and Wealth*. https://onlinelibrary.wiley.com/doi/10.1111/roiw.12659

Boileau B and Sturrock D (2023a) 'Who Gives and Receives Substantial Financial Transfers in Britain?', Working Paper 23/08, London: Institute for Fiscal Studies. https://ifs.org.uk/publications/who-gives-and-receives-substantial-financial-transfers-britain

Boileau B and Sturrock D (2023b) *Help onto the Housing Ladder: The role of intergenerational transfers*, IFS Report R289, London: Institute for Fiscal Studies. https://ifs.org.uk/sites/default/files/2023-12/Help-onto-the-housing-ladder-IFS-report.pdf

Bourquin P, Joyce R and Sturrock D (2023) *Inheritances and Inequality over the Life Cycle: What will they mean for younger generations?*, IFS Report R188, London: Institute for Fiscal Studies. https://ifs.org.uk/sites/default/files/output_url_files/R188-Inheritances-and-inequality-over-the-lifecycle%252520%2525281%252529.pdf

Broome M, Mulheirn I and Pittaway S (2023) *Peaked Interest? What higher interest rates mean for the size and distribution of Britain's household wealth*, London: Resolution Foundation. https://www.resolutionfoundation.org/app/uploads/2023/07/Peaked-interest.pdf

Bukodi E, Goldthorpe JH and Steinberg I (2022) 'The Social Origins and Schooling of a Scientific Elite: Fellows of the Royal Society born from 1900', *British Journal of Sociology*, Vol 73: No 3, pp484-504. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9328133/

Bullough O (2018) *Moneyland*, London: Profile Books

Bullough O (2022) *Butler to the World*, London: Profile Books

Burg M and Hudson P (2023) *Slavery, Capitalism and the Industrial Revolution*, Cambridge: Polity Press

California, state of (2024) 'CalKIDS: The first step toward college', webpage. https://calkids.org/

Clark T (2023) 'Capital Idea? The mysterious case of the stalled conversation about assets and poverty', blog post, York: Joseph Rowntree Foundation. https://www.jrf.org.uk/savings-debt-and-assets/capital-idea-the-mysterious-case-of-the-stalled-conversation-about-assets

Clark T and Wenham A (2022) *Anxiety Nation? Economic insecurity and mental distress in 2020s Britain*. https://www.jrf.org.uk/anxiety-nation-economic-insecurity-and-mental-distress-in-2020s-britain

Commission on Funding of Care and Support (2011) *Fairer Care Funding*. https://webarchive.nationalarchives.gov.uk/ukgwa/20130221121529mp_/https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf

Crawford R and Emmerson C (2020) 'Coming of Age: Labour's Child Trust Funds', comment, London: Institute for Fiscal Studies. https://ifs.org.uk/articles/coming-age-labours-child-trust-funds

D'Ancona M (2023) 'The Missing Centre', *Prospect* magazine, October 2023 issue. https://www.prospectmagazine.co.uk/politics/62813/the-missing-centre

Davenport A, Levell P and Sturrock D (2021) *Why do Wealthy Parents have Wealthy Children?* IFS Report R196, London: Institute for Fiscal Studies. https://ifs.org.uk/sites/default/files/output_url_files/R196-Why-do-wealthy-parents-have-wealthy-children.pdf

Disney R, Emmerson C and Tanner S (1999) *Partnership in Pensions: An assessment*, London: Institute for Fiscal Studies. https://ifs.org.uk/publications/partnership-pensions-assessment Financial Times (2019) 'UK's Labour would Seize £300bn of Company Shares', by Jim Pickard. https://www.ft.com/content/dc17d7ee-ccab-11e9-b018-ca4456540ea6

Financial Times (2023) 'Rachel Reeves Rules out Wealth Tax under Labour', by George Parker. https://www.ft.com/content/d1446a67-18cd-4584-aeb6-c7496677c9f1

Financial Times (2024) 'We are a Step Closer to Taxing the Super-rich', by Martin Sandbu. https://www.ft.com/content/1f1160e0-3267-4f5f-94eb-6778c65e65a4?shareType=nongift

Fisher I (1904) 'Precedents for Defining Capital', *The Quarterly Journal of Economics*, Vol 18: No 3. https://www.jstor.org/stable/1884076

Focaldata (2024) 'How Britain Voted 2024', by Patrick Flynn, blog. https://www.focaldata.com/blog/how-britain-voted-2024

Friedman S, O'Brien D and Laurison D (2016) '"Like Skydiving without a Parachute": How class origin shapes occupational trajectories in British acting', *Sociology*, Vol 51: Issue 5. https://doi.org/10.1177/0038038516629917

Graetz M and Shapiro I (2005) *Death by a Thousand Cuts: The fight over taxing inherited wealth*, Princeton, NJ: Princeton University Press

Green F (1982) 'Occupational Pension Schemes and British Capitalism', *Cambridge Journal of Economics*, Vol. 6, No. 3 (September 1982), pp267-283. https://www.jstor.org/stable/23596499

Guardian (2023) 'House prices need to fall relative to income, Keir Starmer says', by Kiran Stacey. https://www.theguardian.com/politics/2023/may/17/house-prices-need-to-fall-relative-to-income-keir-starmer-says

House of Commons Library (1999) 'A Century of Change: Trends in UK statistics since 1900', research paper 99/111. https://researchbriefings.files.parliament.uk/documents/RP99-111/RP99-111.pdf

Independent (2013) 'Inside Westminster: George Osborne's housing boom will echo into the future', by Andy Grice. https://www.independent.co.uk/incoming/inside-westminster-george-osborne-s-housing-boom-will-echo-into-the-future-8869835.html

Institute of Education [IoE] (2019) 'Paying for a Private Sixth Form Education: How much difference does it make?', by Francis Green and Morag Henderson, blog. https://blogs.ucl.ac.uk/ioe/2019/11/06/paying-for-a-private-sixth-form-education-how-much-difference-does-it-make/

Ji Y and De Grauwe P (2013) 'Are Germans really poorer than Spaniards, Italians and Greeks?', Centre for Economic Policy Research, VoxEU column. https://cepr.org/voxeu/columns/are-germans-really-poorer-spaniards-italians-and-greeks

Labour party (2001) '2001 Labour Party General Election Manifesto: Ambitions for Britain', London: the Labour party. http://labourmanifesto.com/2001/2001-labour-manifesto.shtml

Labour party (2023) '5 Missions for a Better Britain: Breaking down the barriers to opportunity', London: the Labour party. https://labour.org.uk/wp-content/uploads/2023/07/Mission-breaking-down-barriers.pdf

Land Registry (2024) 'UK House Price Index summary: January 2024', dataset. https://www.gov.uk/government/statistics/uk-house-price-index-for-january-2024/uk-house-price-index-summary-january-2024

Markovits D (2019) *The Meritocracy Trap: How America's foundational myth feeds inequality, dismantles the middle class, and devours the elite*, London: Allen Lane

Marx K (1887 [1867]) *Capital Volume I: A critical analysis of capitalist production*, London: Swan Sonnenschein, Lowrey, & Co. https://www.marxists.org/archive/marx/works/1867-c1/ch33.htm

Marx K (1993 [1844]) *The Economic & Philosophical Manuscripts of 1844: The third manuscript*. https://www.marxists.org/archive/marx/works/1844/epm/index.htm

Money & Pensions Service (2022) 'One in Six UK adults Have No Savings', press release. https://maps.org.uk/en/media-centre/press-releases/2022/one-in-six-uk-adults-have-no-savings#

Mulheirn I (2020) 'UK Household Wealth Tripled in 20 Years: Where did it all come from?', Economics Observatory. https://www.economicsobservatory.com/uk-household-wealth-tripled-20-years-where-did-it-all-come

Organisation for Economic Co-operation and Development [OECD] (2024) 'Saving Rate', dataset. https://www.oecd.org/en/data/indicators/saving-rate.html

Office for National Statistics [ONS] (2022a) 'Distribution of Individual Total Wealth by Characteristic in Great Britain: April 2018 to March 2020', dataset. https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/distributionofindividualtotalwealthbycharacteristicingreatbritain/april2018tomarch2020

Office for National Statistics (2022b) 'Household Total Wealth in Great Britain: April 2018 to March 2020', dataset. https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2018tomarch2020

Office for National Statistics (2022c) 'Individual Wealth: Wealth in Great Britain', dataset. https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/individualwealthwealthingreatbritain

Office for National Statistics (2024a) 'AWE: Whole economy real terms level (£): Seasonally adjusted total pay', dataset. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/timeseries/a3wx/emp

Office for National Statistics (2024b) 'BoP: Current account balance as per cent of GDP', dataset. https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/timeseries/aa6h/ukea

Osborne G (2007) Speech to Conservative Party conference. http://news.bbc.co.uk/1/hi/uk_politics/7022498.stm

Paine T (1792) *Rights of Man. Part the second. Combining principle and practice*, London: JS Jordan. https://www.gutenberg.org/cache/epub/3742/pg3742-images.html

Peterson Institute for International Economics (2013) 'Europe's Household Survey: Is German wealth really that modest?', by Jacob Funk Kirkegaard, blog. https://www.piie.com/blogs/realtime-economic-issues-watch/europes-household-survey-german-wealth-really-modest

Pettifor A (2021) 'Quantitative Easing: How the world got hooked on magicked-up money', *Prospect* magazine, August/September 2021 issue. https://www.prospectmagazine.co.uk/ideas/economics/37786/quantitative-easing-how-the-world-got-hooked-on-magicked-up-money

Piketty T (2014) *Capital in the 21st Century*, Cambridge, Massachusetts and London, UK: Belknap Press of Harvard University Press

Piketty T (2020) *Capital and Ideology*, Cambridge, Massachusetts and London, UK: Belknap Press of Harvard University Press

Proudhon PJ (1840) *What is Property: An inquiry into the principle of right and of government*. https://web.archive.org/web/20110210104829/http://etext.lib.virginia.edu/etcbin/toccer-new2?id=ProProp.sgm&images=images/modeng&data=/texts/english/modeng/parsed&tag=public&part=all

Pulzer P (1967[1972]) *Political Representation and Elections in Britain*, revised edition, London: Allen & Unwin

Reeves A and Friedman S (2024) *Born to Rule: The Making and Remaking of the British Elite*, Cambridge, Massachusetts: Belknap Press of Harvard University Press

Resolution Foundation (2023) *Ending Stagnation: A new economic strategy for Britain, the final report of the Economic Inquiry 2030*, London: Resolution Foundation. https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/12/Ending-stagnation-final-report.pdf

Shaw GB (1928) *The Intelligent Woman's Guide to Socialism and Capitalism*, London: Constable. (1984 Transaction Publishers edition) https://books.google.co.uk/books/about/The_Intelligent_Woman_s_Guide_to_Sociali.html?id=ys13gZliXFAC&redir_esc=y

Shaheen F (2023) *Know Your Place*, London: Simon & Schuster

Sherraden M (1991) *Assets and the Poor*, New York: Routledge. https://www.taylorfrancis.com/books/mono/10.4324/9781315288376/assets-poor-michael-sherraden

Sibetia L (2023) *Tax, Private School Fees and State School Spending*, IFS Report R263, London: Institute for Fiscal Studies. https://ifs.org.uk/sites/default/files/2023-07/IFS-Report-R263-Tax-private-school-fees-and-state-school-spending.pdf

Smith A (1776) *An Inquiry into the Nature and Causes of the Wealth of Nations*. London: W Strahan and T Cadell. https://name.umdl.umich.edu/004861571.0001.001

Tab (2023) 'Posho Ranking: These are the universities with the most private school students in 2023', by Phoebe Kowhai. https://thetab.com/uk/2023/09/18/these-are-the-universities-with-the-most-private-school-students-2023-329459

Tawney RH (1921) *The Acquisitive Society, Chapter 5: On property*. London: G Bell. https://www.panarchy.org/tawney/property.html

Turner A (2015) *Between Debt and the Devil*, Princeton, NJ: Princeton University Press

Institute for Public Policy Research

GET IN TOUCH

For more information about the Institute for Public Policy Research, please go to www.ippr.org

You can also call us on +44 (0)20 7470 6100, e-mail info@ippr.org or tweet us @ippr

Institute for Public Policy Research

Registered Charity no. 800065 (England & Wales), SC046557 (Scotland), Company no, 2292601 (England & Wales)