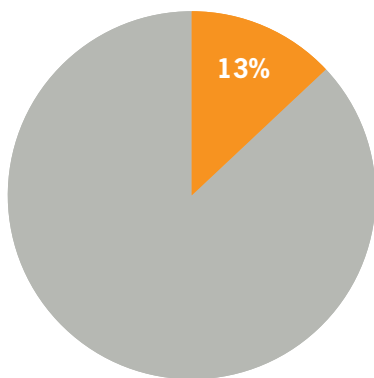
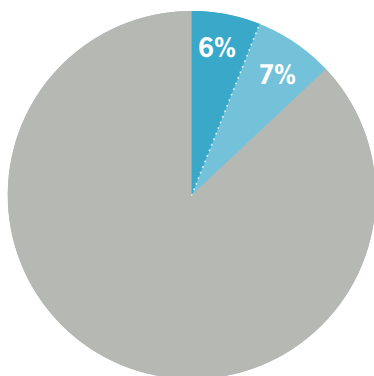


Most households would be better off in a more equal economy

IF THE UK WAS AS EQUAL AS DENMARK OR THE NETHERLANDS, MOST HOUSEHOLDS WOULD BE BETTER OFF BY MORE THAN £2,500 A YEAR



13% Share of total UK incomes going to the **richest 1%**



6% Share of total incomes going to the richest **1%** in **Denmark** and **The Netherlands**

7% Difference to UK worth around **£2,500** for each of the **99% poorest households**

What does this mean?

The richest one per cent in the UK take around 13 per cent of total incomes. In Denmark and the Netherlands, the richest 1 per cent take just 6 per cent of total incomes. In the UK, total incomes add up to about £1 trillion, so the 7 per cent difference in the share taken by the richest 1 per cent in the UK and that taken by the richest 1 per cent in the Netherlands or Denmark is worth about £70 billion, or £2,500 per household.

Explaining the data

All figures for the share of the richest 1 per cent, plus the UK's estimated total income, are taken from the World Top Incomes Database via <http://topincomes.parisschoolofeconomics.eu>. Of course, if measures were introduced to reduce the share of income going to the richest 1% in the UK, then the £1 trillion total income might also change. But the fact that the share of incomes going to the richest people in modern, prosperous societies like Denmark and the Netherlands is much smaller suggests that inequality is not a necessary price of economic success. In fact, research from the International Monetary Fund suggests that inequality hinders economic growth (you can read their paper at <http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf>). The benefits of reducing the share of UK incomes going to the top 1% maybe worth even more than £2,500 per household.