Summary:
• We’re a campaign to reduce inequality
• Economic inequality is dangerously high
• Educational inequality robs poor kids of a future
• They make each other worse
• We can make both better
What we do:
The Equality Trust aims to improve the UK’s quality of life by reducing economic inequality.
The Spirit Level
Why Equality is Better for Everyone
Richard Wilkinson and Kate Pickett

'A big idea, big enough to change political thinking'
Sunday Times

'A sweeping theory of everything'
Guardian
Health and social problems are worse in more unequal countries

Index includes:
- Life expectancy
- Maths & literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness (inc. drug and alcohol addiction)
- Social mobility

About Inequality

The UK is a divided society where the richest receive the lion’s share leaving crumbs for the rest. How did we get to this point? What are the costs of having such high inequality? And what do people think we should do about it?

Scale and trends
How is economic inequality defined? How unequal is the UK? How has UK inequality changed over time?

Drivers
What factors have led to this increase in inequality in the UK?

Impacts
How does inequality affect the individual, society and the economy?

Attitudes
What do people think and know about inequality?

There is a vast difference between the average income of the richest, and the rest of the UK

Top 0.1%: £1,000,970
Top 1%: £271,888
Top 10%: £79,196
The other 90%: £12,069

Average full-time pay in 2012

£4.3m
CEO of a FTSE 100 company
£26,500
Average UK worker

But the UK has not always been

Forget fair play – we are example of how inequality ruins a nation’s prospects

Duncan Exley, director of The Euston Group, says political extremism, worse life chances, and a widening gap in life expectancy are all symptoms of the UK’s broken society.

The 18-year gap in active lifespan between richest and poorest in modern Britain

Worse than Rwanda: life prospects in Britain’s poorest areas

The British public wrongly believe rich pay most in tax, new research shows

Study shows poorest 10% pay eight percentage points more income, prompting calls for more progressive system

Do you know more about tax than the average Briton? Take our quiz

This Budget dressed up policies for the very richest as support for the ‘middle class’

Increasing the 40p income tax threshold doesn’t help the average Briton

Published: March 26, 2015

Tim Stacey: Why conservatives must address inequality

By Tim Stacey

Tim Stacey is Senior Policy and Research Advisor at The Equality Trust.
How unequal are we?
How unequal are different countries?
What is the spread of incomes in the UK?

<table>
<thead>
<tr>
<th>Tenth</th>
<th>Original Income</th>
<th>Net Income</th>
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<tr>
<td>Poorest tenth</td>
<td>£0</td>
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<td>2nd</td>
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<td>Richest tenth</td>
<td>£180,000</td>
<td>£180,000</td>
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</tbody>
</table>
Pre Tax Inequality at the Top

Graph showing the pre-tax income share of the top 1%, top 10%, and top 0.1% over time from 1962 to 2010.
How bad is educational inequality?

• Smaller vocabularies and are slower to learn words
• Age 3: 9 months behind
• Age 4: 18 months behind
• Age 5: 2/3 as likely to reach good level of development
GCSE performance across England
Results in English, maths and three best other GCSEs

Source: Newsnight analysis, NPD

*measured by neighbourhood deprivation
What’s this mean for social mobility?
• Worst rate of social mobility in the developed world
• 7% of children go to private school
• 71% of senior judges
• 44% of those on the Sunday Times Rich List
• 43% of newspaper columnists
• 33% of MPs
• Income inequality is dangerously high
• It has increased dramatically since the late 1970s
• The poorer a child, the lower the scores
• The worst social mobility in the developed world
How are social mobility and education related to inequality?
Source: Corak (2012)
Educational scores are higher in more equal rich countries.

Figure 6. Average numeracy score by parent educational background and inequality

Source: OECD 2014
What’s happening? What’s the direction of causation?

• It’s complicated

• It’s a vicious circle
A lack of education increases inequality:

• Returns to education

• Technology vs. education

• Better teachers cause higher incomes
• This doesn’t explain all the inequality gap
• As low as 7% of the inequality gap
Greater levels of inequality damage education:

• Investing in the next generation

• Inequality inefficiently distributes resources
DOES MONEY AFFECT CHILDREN’S OUTCOMES?
A SYSTEMATIC REVIEW

Kerris Cooper and Kitty Stewart
Getting rid of the income gap:
• Halves the education gap
• Improves maternal mental health
• Improves children’s levels of anxiety and behaviour in school
• Maybe it’s about stress

• Stress shortens lives and worsens mental health

• Inequality causes stress
• Unequal countries have lower levels of social mobility and worse education, particularly for those at the bottom
• Unequal returns to education
• Unequal investment in the next generation
• Stress
What's the solution?
• We can improve education and reduce inequality in tandem

**On education:**
• Unfortunately we know more about what doesn’t work than what does
Would grammar schools help?
Results in English, maths and three best other GCSEs

*measured by neighbourhood deprivation

Source: Newsnight analysis, NPD
How socially mixed are our schools?
How broad a range of children will primary pupils meet at school?

Source: NPD, Deprivation measured by IDACI
What effect might the academies programme have?

Potential effect on GCSE results of sponsor academies

Source: NPD, Deprivation measured by IDACI
How league tables hide poor children's performance
Poor pupils at schools do much worse than their peers

The orange line shows the share of children getting 5 Cs or better at GCSE at lower-achieving secondary schools (left) to good schools (right).

The blue line shows what that line looks like if you draw a smoothed version of same line for FSM-eligible children only.

Source: NPD, Deprivation measured by IDACI
GCSE performance outside London
Results in English, maths and three best other GCSEs

- 2013
- 2010
- 2006
- National average

Pupils' deprivation*

*measured by neighbourhood deprivation

Source: Newsnight analysis, NPD
• More equal education systems achieve as good or better results

• Not a trade-off between aiming for teaching for the best and teaching for everyone
How else we can reduce inequality:
• Fair business
• Fair taxes
• Fair pay
Summary (again)

• We are a campaign to reduce inequality
• Economic inequality is dangerously high
• Educational inequality robs poor kids of a future
• They make each other worse
• We can make both better
THE EQUALITY TRUST

Because more equal societies work better for everyone

equalitytrust.org.uk
@equalitytrust