Good Ancestor Movement

PATRIOTIC UK MILLIONAIRES

Risks of Extreme Wealth

How extreme wealth is harming us all and why it's time to draw a line in the sand.

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About Good Ancestor Movement

Good Ancestor Movement (GAM) is a non-profit organisation which is disrupting mainstream ideas about the economy, wealth stewardship and the redistribution of resources and power in society. GAM challenges harmful economic narratives and supports wealth holders and the wealth advisory sector to play their part in creating a more equitable society and building ecological resilience through radical wealth stewardship, and reparative and regenerative redistribution. GAM exists to accelerate the just transition to a new economy anchored in ecological and social wellbeing by leveraging the power of private capital. GAM's work is framed through the lens of what it means for individuals and organisations to become 'good ancestors'.

About Patriotic Millionaires UK

Patriotic Millionaires UK (PMUK) is a non-partisan network of British millionaires who stand for a just economy and the end of extreme wealth, in the UK and beyond. This can only be achieved by addressing the destabilising levels of economic and political inequality; challenging the concentration of wealth and power, nationwide and around the world. PMUK leverages the unlikely voice of wealth through media, communications, and advocacy to promote progressive action on inequality, taxation, and extreme wealth.

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Executive Summary

Since 2020, the wealth of the world's five richest men has doubled, while the wealth of five billion people has fallen.[1] In a context where the gulf between the rich and the rest of society is widening at an increasingly alarming rate, this report consolidates much of the vast research that exists on the nature and impact of extreme wealth, and aims to highlight the corrosive effect it has on some of the most important pillars of modern life.

In a period of political turbulence, this report looks at the means by which extreme wealth is seizing the tools of democracy. Through political and media capture, dominated by those with extreme wealth, we are witnessing a vicious cycle of public and democratic co-option in pursuit of elite private interest. This structural capture is mirrored when it comes to leveraging and shaping the legal system, enabling the protection of the super-rich and their assets.

The juxtaposition of those with extreme wealth and the rest of society is also contributing to the increasing erosion of social cohesion. The ideal of meritocracy is undermined as most people struggle to improve their lives, no matter how hard they work, while the economic system allows a select few to continually enjoy a perpetual economic boost. This two-tiered system fuels resentment and unrest, as well as compounding existing gender and racial inequalities.

Meanwhile, extreme wealth concentration creates a number of dangerous economic impacts. From the consolidation and control of global industries, the stifling of healthy competition upon which a functioning market economy relies, and ultimately risking financial crises in pursuit of private profits at the expense of the public good. Such consequences of extreme wealth leads to increasing economic instability.

Finally, we reflect on how the threat of extreme wealth is intensifying the existential ecological crisis humanity faces. Not only do the very richest consume disproportionately vast amounts of resources, and emit greenhouse gases by an order of magnitude, their wealth often has a vested interest in the continuance and growth of ecologically damaging industries.

While the report draws together findings from a range of excellent work already conducted in the field of extreme wealth and inequality, we believe identifying the thresholds - ascertaining the point at which extreme wealth causes harm - is vital to address and reverse its impact on our shared systems, societies, environment, and human experience.

As it stands, it is almost impossible to conceptualise the amount of money and power that extreme wealth constitutes. This is a significant part of the problem - there are no appropriate tools with which to properly grasp the issue. The report's conclusion outlines a clear recommendation to address this: it is time to draw a line in the sand and identify an 'extreme wealth line'. An extreme wealth line (EWL) would play a similar role to that of the extreme poverty line, providing a metric (or metrics) for national and international understanding, future political action, and co-operation on the corrosive effects of extreme wealth.

The usefulness and credibility of such a tool would require focused academic research, alongside public consultation, and socialising of the concept in high level political and media realms. Ultimately this report lays out some of the biggest threats extreme wealth is posing to the future of humanity, and sets the stage for concerted action to address it.

'Ascertaining the point at which extreme wealth causes harm is vital to address and reverse its impact on our shared systems, societies, environment, and human experience.'

Setting the scene

The state of extreme wealth

Comprehending extreme wealth is an amorphous task for most. As the numbers keep climbing to dizzying heights, many of us are left just trying to keep up with how much money one person can own. As finite creatures, we simply don't have the ability, nor the reference points to understand what hundreds of billions looks like.

Visualisations can help, like Matt Korostoff's Wealth, Shown to Scale where we scroll through Jeff Bezos' 2020 net worth of $185 billion. Or comparisons like the one Ingrid Robeyns gives in the introduction to her book on Limitariansm - that to earn a top spot on the Sunday Times Rich List at £23 billion, we would have to be paid £196,581 an hour, fifty hours a week, for forty-five years.

Yet even if we can begin to conceptualise these unimaginable numbers, there is still an existential question: what does it mean?

Comparisons are often made between the amount of wealth stored in private hands compared with the global problems it could solve, such as eradicating diseases, ending hunger or reversing ecological breakdown. But there is another, overlooked and under-discussed angle: the active harm extreme wealth creates.

That is to say that the problem with extreme wealth is not just that its potevntial to do good is wasted, but that it creates new harms, negatively impacting society, the economy, and the environment, rendering millions if not billions of people worse off. The potential harm of extreme wealth goes far beyond the cost of inaction.

That wealth, and its associated harms, are only growing. Every January Oxfam puts out a report on the state of global wealth inequality. The 2024 report was one of the most bracing yet showing just how stark and spiralling the situation really is.

According to the report, Inequality Inc, the wealth of the world's five richest men has doubled since 2020, while the wealth of five billion people has fallen. If current trends continue, it posits that the world will have its first trillionaire within a decade but poverty won't be eradicated for another 229 years.[2]

It is with that framing we must turn our attention, urgently, to the myriad risks posed by extreme wealth. Because extreme wealth isn't created, nor does it exist, in a vacuum. It is not apolitical, void of any cultural or social origins or influence. This report will outline the idea that the more extreme wealth is maintained, grown, and consolidated, the more risks it poses in every domain of life - from democracy to the environment.

This report aims to build on the work, research and ideas already explored by leading economic and inequality thinkers. Namely, but not exhaustively, Ingrid Robeyns, author of Limitarianism; Utrecht University's research on Measuring a Riches Line; an LSE research project into public opinion on a riches line; and the Excessive Wealth Disorder Institute. This report also draws on a literature review by Dr Kojo Koram, commissioned by Patriotic Millionaires UK and the Good Ancestor Movement.

> *'... to earn a top spot on the Sunday Times Rich List at £23 billion, we would have to be paid £196,581 an hour, fifty hours a week, for forty-five years.'*

How much are we talking about?

An overview of what could be considered extreme wealth

The super-rich. The ultra-wealthy. Ultra-high net worths. The top 1%. The 0.1%. Millionaires. Multi-millionaires. Billionaires.

We aren't short of short-hands in referring to those with money, but just as it's difficult to comprehend the numbers of extreme wealth, language also fails us in accurately representing the orders of magnitude to which extreme wealth refers, no matter how many superlatives we use. We might consider someone with a townhouse in London and a six figure salary to be wealthy. But then to call Jeff Bezos ultra-wealthy, doesn't really account for the chasmic disparity between these two realities. There is of course also the question of relativity and subjectivity.

The imprecise and malleable nature of these terms can often be a stumbling block to having a coherent and co-ordinated discussion about extreme wealth, and indeed can be used as a tactic for misdirection. While we will come to a recommendation that could act in part to address this, for now we will highlight a number of different ways of denoting extreme wealth.

Gabriel Zucman, an economist specialising in inequality, draws on a broad definition of wealth which is 'the current market value of all the assets owned by households, net of all their debts.'[3]. He also references the international standards codified in the System of National Accounts, which considers assets to be both financial and non-financial, providing they have enforceable ownership rights and provide economic benefits to their owners.

From this understanding, we can look to the categorisation of wealthy individuals as defined by the financial services sector. These thresholds are generally considered as: a high-net-worth individual (HNWI) with liquid assets over US$1 million; a very-high-net-worth individual (VHNWI) - with liquid assets over US$5 million; and an ultra-high-net-worth individual (UHNWI) - with liquid assets over US$30 million. These bandings are broadly similar in the UK in GBP.

Patriotic Millionaires - a membership organisation in the US and UK for wealthy individuals who advocate for wealth taxation and other reforms aimed at addressing economic inequality, must have more than US$5 million to join - broadly aligning with the banding of a 'very-high-net-worth individual'.

Meanwhile, in a 2020 'riches line' study[4] conducted by London School of Economics, members of the public discussed and described levels of wealth according to the type of lifestyle individuals could afford. The second top band was labelled 'The wealthy' including markers such as the wealthy didn't have to work if they didn't want to, had additional income streams beyond wages, and employed financial service professionals to manage their wealth assisting with legal and tax advice. The top band was labelled 'The super rich' which was described as owning private jets, supercars and yachts, citing the likes of high profile business people, celebrities, entrepreneurs and inventors.

Finally, Ingrid Robeyns, who has developed the concept of Limitarianism through a lens of political philosophy and applied ethics, comes at the question of extreme wealth from the angle of 'too much.' Throughout her work, she argues that 'it is not morally permissible to have more resources than are needed to fully flourish in life'. A research project she initiated at Utrecht University in 2018 led a team of researchers to conclude that 'the overwhelming majority of residents in the Netherlands believe that you do not need more than €1 million per person (or €4 million for a family of four) to lead a very good life indeed.'[5] This was established based on the findings that 89% of respondents considered a family to be super-rich if they had a total wealth above €4.15 million. Robeyns herself argues that a political riches line should be set at 10 million in each country, and a moral line set at 1 million.

89%

of respondents to a Utrecht University study in 2018 considered a family to be super-rich if they had a total wealth above €4.15 million

While the purpose of this report isn't to define what extreme wealth is, it references it heavily, and so it is useful to bear in mind the range of definitions others have established and use. Ultimately, we refer to a small percentage of the global population who possess vast and disproportionate financial assets and resources.

Seven ‘at risk’ domains

Given that the economy and finance are the dominant operating system underpinning much of modern society, there are very few domains of life which remain untouched by extreme wealth.

Many of these domains are inherently intersectional, and the risks that extreme wealth brings to them ties many of them together. For the purposes of this initial report we have identified seven areas that we consider most obviously at risk of the influence and impact of extreme wealth and which have a fundamental role in the safety and stability of all of our lives.

They are...

1 Democracy

2 Media

3 The law

4 The economy

5 Social cohesion

6 Equality

7 The environment

The following chapters of this report are dedicated to outlining the main dynamics and risks we see in each domain. While this report paints an overview, its limitations lead to a clear conclusion: more rigorous research is required into wealth’s impact in each domain, with the rationale for establishing a line or lines that indicate the tipping point of harm caused by extreme wealth.

Democracy

How extreme wealth is capturing politics

The negative influence of extreme wealth on democracy can be understood to be two-fold with first and second order consequences - firstly political capture, secondly a general disillusionment with democracy. These two dynamics exacerbate each other and are ultimately creating a dangerous downwards spiral for the future of democracy.

Political capture

Political capture is a term used to describe what happens when the economic elite gains disproportionate hold and influence over our political and democratic systems. Through wealth, or the privileges that come with wealth, they directly and indirectly influence government, politicians, political advisors, policies and policy makers, all which should be governed according to democratic principles and processes.

This phenomenon can be understood on somewhat of a sliding scale, from regulated lobbying to outright corruption. While legal, lobbying provides a channel for wealth to advocate for itself - indeed with more resources than other 'causes'; the financial sector spends more on lobbying than any other industry.[6]

Other means of buying up politics are large campaign donations, providing leverage such as favourable media coverage or business opportunities in return for the expectation of political pay-back, or threats of moving highly profitable business activities to other countries. As an example of this last issue, Ingrid Robeyns shares in her book an enlightening, if not alarming story of how this happened in the Netherlands.

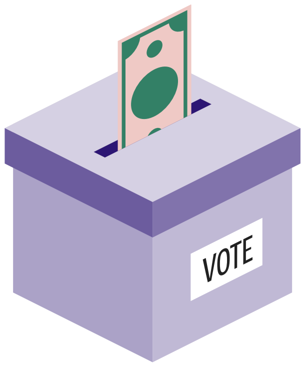
During a 2017 - 2021 coalition government, abolishment of tax on dividends was announced, despite no party having previously proposed this in their electoral manifestos. The policy would cost the government nearly US$2 billion, while benefiting shareholders of Dutch multinational companies. It subsequently became clear that Shell and Unilever had lobbied behind closed doors for the abolishment of the tax.

'When the then CEO of Unilever, Paul Polman, informed the Dutch prime minister via phone that Unilever had already decided to move the company completely to the UK, the plan to abolish the dividend tax was scrapped. What was most striking about this drama was how large, and how invisible, the influence of two big multinational companies with Dutch roots – Shell and Unilever – was on the democratic process. Citizens never even had a chance in the run-up to the election to discuss the proposal. Parliament was not fully informed.'[7]

As Robeyns notes more broadly, 'much of the political influence of rich people escapes the workings of formal institutions, such as legislation and regulation.'[8]

A number of other sources also recognise the reality of political capture, with a 2019 study by the Joseph Rowntree Foundation finding that wealthy individuals have an undue influence on policy debates, with emphasis on their personal interests above the wider public benefit.[9]

Meanwhile, The Excessive Wealth Disorder Institute also identifies 'government capture' as one of the three critical dynamics in driving and perpetuating the cycle of excessive wealth. Gabriela Sandoval, EWDI's Executive Director, points to research that measured the political influence of the wealthiest Americans finding that 'the 100 wealthiest Americans had 60,000 times more political power than the average American'.[10]



"Other means of buying up politics are large campaign donations, providing leverage such as favourable media coverage or business opportunities in return for the expectation of political pay-back"

Disillusionment with democracy

Such runaway political capture not only results in disproportionate political influence, but also creates a fertile ground for the seeds of doubt in democracy.

In a 2021 YouGov survey, it was found that only 7% of Britons had a 'great deal of confidence' in their political system. Meanwhile across the pond, the electorate's trust in the American government has dropped from 75% in the 1960s to just 22% today.[11]

7%

of Britons had a 'great deal of confidence' in their political system

The premise and promise of equal representation summed up as 'one person, one vote' no longer appears or feels to be true for the majority. When it becomes apparent a small fraction of the electorate enjoy vastly disproportionate influence by leveraging their position of financial and economic power, it's no surprise that trust in democracy is rapidly eroding.

In a recent report commissioned by a UK All Party Parliamentary Group exploring wealth inequality, it was found that the UK public feels 'the very rich' are more powerful than the government, and 54% of people are concerned that increased wealth inequality will result in 'the super-rich having unfair influence on government policies'.[12]

Taking a global view, in an Open Society Foundations 2023 report (stated as one of the largest studies of global public opinion on human rights and democracy ever conducted), polling across 30 countries found a worrying trend in attitudes of young people towards democracy. 35% of 18-35 year olds felt a "strong leader" who did not hold elections or consult parliament was 'a good way to run a country'.[13]

'When it becomes apparent a small fraction of the electorate enjoy vastly disproportionate influence by leveraging their position of financial and economic power, it's no surprise that trust in democracy is rapidly eroding.'

Media

When free press is sold to the highest bidder

Access to quality and unbiased information is one of the core foundations upon which democracy relies. And yet, just as we've seen the risks of extreme wealth capturing the political sphere, we're seeing the same play out with the media. Indeed, one of the risks of media capture is that it can lead to political capture. One of the biggest drivers of this risk is the ability for extreme wealth to buy-up, and consolidate the media landscape.

According to sociologist Ben H. Bagdikian, the reduction in diverse media ownership in the US is sharp. He found that the number of corporations controlling most American media outlets dropped from 50 in 1983 to only 5 by 2004.[14] The story is much the same in other countries. In France, more than 80% of newspapers sold daily are owned by 11 billionaires, and in India, '72 TV channels reaching over 800 million people are owned by one billionaire.'[15]

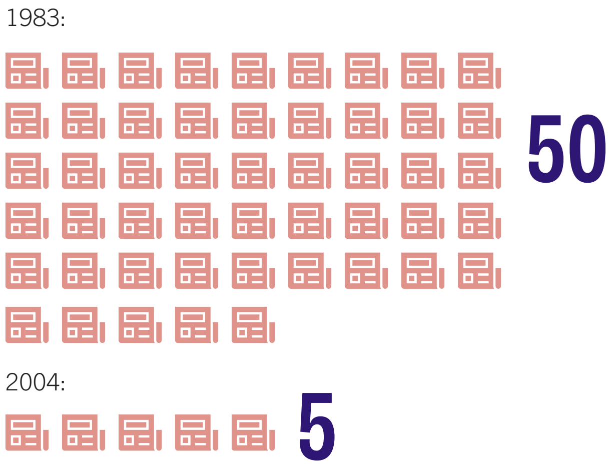
Despite the impression of a diverse media landscape as the flows of information grow, the actual sources of that information have become increasingly homogenised. The reality is a very small number of individuals and corporations owning and shaping cultural and political narratives and opinions, often in their own interests.

With this understanding, we can see a vicious cycle whereby media and politics are yoked by extreme wealth, allowing for ultimate influence over both the stories the public are told about the political reality, and the power over which the media has to make or break politicians' reputations.

The case of the world's richest man, Elon Musk, buying up Twitter (now X) for US$44 billion also signifies how easily extreme wealth can take control of our modern day digital public squares and design the dynamics of discussion or debate. An alternative tactic of controlling media outlets is to simply destroy them. Gawker media is one such example that fell victim to the weight of extreme wealth when billionaire Peter Thiel piggybacked on another celebrity's lawsuit, funding the case to a point of bankruptcy.[16]

> *"The case of the world's richest man, Elon Musk, buying up Twitter (now X) for US$44 billion also signifies how easily extreme wealth can take control of our modern day digital public squares and design the dynamics of discussion or debate."*

Corporations controlling most American media:



Law

How extreme wealth pays its way around the law

Just as a diverse and independent media landscape is crucial to the foundations of democracy, likewise is the maintenance and enforcement of a proper judicial system. And yet, we find the instruments of the law both exploited to 'defend' extreme wealth, and at risk of being shaped under the influence of it.

It's true that wealth begets wealth. Yet wealth doesn't just look after itself. It relies on a sprawling and highly lucrative industry - the 'wealth defence' industry.

This term refers to the army of professionals - lawyers, consultants, accountants, wealth managers, financial advisors and others who work to grow and preserve the wealth of high net worth individuals and the super-rich. They leverage all manner of legal tools, including tax law, property law, contract law, and even the savvy application of insolvency law. Many of the activities within this industry take advantage of 'grey areas' often shunning what many of us would consider immoral through the likes of tax avoidance, while some disregard the law entirely and engage in the likes of tax evasion.

Offshoring is an example of legal tax avoidance. Yet the scale of offshoring is impoverishing us all. Emmanuel Saez and Gabriel Zucman point to an example of profit shifting by Google. Thanks to some strategic company structuring and internal transactions, in 2017 Google registered US$22.7 billion in revenue in Bermuda where the corporate tax rate is zero, while paying little to no tax across Europe.[17]

When extreme wealth is highly concentrated and those who benefit refuse to reinvest into the societies that allowed them to profit in the first place, we find public infrastructure increasingly stripped of resources at the expense of private gain. At last estimate, around 8% of the global financial wealth, or US$7.6 trillion, is held in tax havens.[18]

8%

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Turning to more nefarious influences of extreme wealth on the law is direct financial coercion and corruption. The work of legal scholar Kim Forde-Mazrui has shown how the rise in extreme wealth can pose a threat to judicial independence as wealthy individuals are able to use their surplus income to exert undue influence on judges through financial contributions, charitable donations, campaign support if the judge is in a jurisdiction where judges are elected, or other forms of delicate coercion.[19]

"...in 2017 Google registered US$22.7 billion in revenue in Bermuda where the corporate tax rate is zero, while paying little to no tax across Europe."

With the super-rich leveraging, manipulating and influencing the law there is yet another vicious cycle, creating a lack of accountability and the emergence of a two-tier system. The blindfold of lady justice - representing equality before the law - seems to be slipping under the pressure of extreme wealth. Just as we're witnessing a decline in trust of democracy, it's no surprise that this disenfranchisement extends to the supposedly fair justice system.

Concluding on democracy, media and the law

Democracy, media and the law are all intrinsically bound together and we require each of these domains to be protected from the harms of extreme wealth to avoid a race to the bottom of corruption and mistrust. Robeyns sums up what is required for a fair, robust and properly functioning liberal democracy: 'a clear separation of powers within a government, with a truly independent judiciary; autonomous, impartial and independent mass media who do not have to fear speaking out; financial transparency so that we know who owns what; and careful oversight of other democratic institutions, such as electoral systems.' These vital instruments, she says, are under threat from billionaires and millionaires taking the kleptocratic route for accumulating wealth and power. 'Unfortunately, much of the time they succeed.'[20]

Economy

Hoover up economics is harming us all

Despite having been widely disproven, the fallacy of trickle down economics - the theory and narrative that by enriching the rich everybody benefits, still persists. Yet this couldn't be further from the truth. Not only does extreme wealth not lift others up, it poses significant risks to the economy through disproportionately concentrating power, destabilising and distorting market dynamics, and stagnating growth.

Consolidation, concentration, and control

The trend towards consolidation over competition can be seen across myriad industries and sectors. As referenced earlier, the sociologist Ben H. Bagdikian demonstrated that the number of corporations controlling most American media outlets dropped from 50 in 1983 to only 5 by 2004.[21] Meanwhile 33% of the infrastructure that underpins so much of modern life - the internet, is run by Amazon Web Services, accounting for 74% of Amazon's profits.[22] And this 'behind the curtain' control is not uncommon, with companies white-labelling or using different trading brands skewing our perception of how few people and corporations are behind the world's goods, services and infrastructure.

The result is an ever-higher mountain to climb for new businesses and innovation to compete with such behemoths. And if they do become a threatening success, they are quickly acquired by the big players. This type of anti-competition leads directly to a disproportionate command over resources, labour and markets.

Indeed, political theorist Jodi Dean points to 'the neo-feudalism tendencies in contemporary capitalism,' whereby 'Expropriation, domination, and force have intensified to such an extent that it no longer makes sense to posit free and equal actors meeting in the labour market even as a governing fiction.'[23]

This sentiment is perhaps summed up by a respondent in LSE's Riches Line focus group: "once people get into the really, really rich category… what they do can actually affect me, so they could buy a company or they could shut the company down. They have power and they have power over you."[24]

7 out of 10

of the world's biggest corporations have a billionaire as CEO or principal shareholder

Shockingly, yet not surprisingly, it is the super-rich controlling the world's biggest corporations. Oxfam's Inequality Inc report revealed that seven out of ten of the world's biggest corporations have a billionaire as CEO or principal shareholder. These corporations are worth US$10.2 trillion (£8.1 trillion), equivalent to more than the combined GDPs of all countries in Africa and Latin America.[25]

Collapse and chaos

In their 2012 bestseller, Why Nations Fail, economists Daron Acemoglu and James A. Robinson pointed to the concentration of extreme wealth as a key factor in the collapse of previously stable nation states. They observed that the competitive environment, which should fuel capitalist growth, becomes mired when wealth is concentrated in the hands of a few.

Indeed, in his book Capital in the 21st Century, Thomas Piketty refers to our entering of a 'new gilded age'. Piketty is issuing a warning harking back to the gilded age of the early 20th century which lined the pockets of steel and oil 'robber barons', and produced the first billionaire, J.D Rockefeller. This historic gilded age is considered to have triggered the Wall Street crash of 1929, followed by the Great Depression of the 1930s. Supporting this comparison, economist Kate Raworth points to the uncanny similarities between the Great Depression of 1929 and the 2008 financial crisis - 'both eras saw a large increase in the income share of the rich, a fast growing financial sector, and a large increase in the indebtedness of the rest of the population - culminating in financial and social crisis.'[26]

Ironically, it's the stability provided by the state that allows the ebullient and cavalier investment strategies of bankers and the super-rich. Yet when markets come crashing down because of these same people, it is the state that must bail them out and return stability. And so the vicious, extractive and skewed cycle of private profit at public expense begins again.

A 2015 report from the OECD illustrated that higher levels of income inequality (which are in part driven by wealth inequality) are associated with slower economic growth, a by-product of the increasing inequality causing the majority of the population to have limited access to resources and opportunities.[27] But such slow economic growth, or the direct impact on everyday life of economic crises, doesn't touch the super-rich as it does the majority of the population. And so stagnation persists and the status quo is maintained. As Acemoglu and Robinson posit in Why Nations Fail, 'growth only moves forward if not blocked by [those] who anticipate their economic privileges will be lost.'[28]

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Social cohesion

Why millionaires are worried about pitchforks

In January 2020, Patriotic Millionaires released a public letter to the world's economic elite attending the World Economic Forum in Davos. It was signed by many high profile wealth holders warning their own class that the pitchforks would be coming for them if they didn't turn their attention to the deep divides being driven by extreme wealth.

Where we might once have assumed that 'WEIRD' (Western, Educated, Industrialised, Rich and Democratic) countries would have the most societal and political coherence, that is no longer the case. Not only are they exempt, but they are some of the most affected by the deepening divisions. The US, Spain, and Sweden rank in the top six most polarised countries, and the UK, Japan, Italy, The Netherlands, and Germany are in danger of severe polarisation.[29]

We can also see a parallel between the fact that despite the initial 'levelling effects' of the Second World War, inequality has been on the rise again from the 1980s onwards[30], meanwhile political divisions are deeper than at any time in the past 50 years.[31]

Perhaps the most pernicious effect of extreme wealth creating a breakdown in social cohesion is its upholding of the illusion of meritocracy. Often self-made business people and entrepreneurs are celebrated for their accumulation of extreme wealth. Their stories are held up as examples of when talent is coupled with hard work, yet their stories represent such a tiny minority of disproportionate success.

Participants in the LSE focus groups put voice to this feeling: 'Yes it's aspirational but it's negative because only a small number of people can actually achieve that'. Others agreed that unrealisable or unrealised aspiration is a negative effect of some people being wealthy or super-rich, arguing that it makes people feel let down and resentful.[33]

So long as the pursuit of infinite wealth remains an aspirational story at odds with our economic systems that fundamentally disallow it for the vast majority of the population, there will always remain an unsolvable struggle. Stories of meritocracy and deservedness only serve to internalise this 'failure' on an individual level, risking such resentment being channelled into collective, misdirected and increasingly dangerous unrest.

"Social cohesion is essential for a functioning society. When a small elite amasses vast fortunes while a large portion of the population struggles to make ends meet, it creates resentment and social unrest."[32]

Thomas Picketty

Equality

The weight of extreme wealth on gender and race

Of course inequality is the overarching context within which this report addresses the issue of extreme wealth. However we can perhaps understand it from three angles. Firstly, the issue of wealth inequality in and of itself - the fact that as the rich get richer, the poor get poorer. Secondly, as we've explored in the first five domains, extreme wealth can create downstream inequalities - such as unequal representation in democracy, unequal outcomes before the law, or unequal access to economic opportunities. However, as well as creating new inequalities, extreme wealth also exacerbates and compounds many pre-existing inequalities such as gender and race. The risks of this perspective we'll explore here.

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Gender

In their report, Survival of the Richest, Oxfam states that 'the richest people in society are always majority male: of the top 1,000 billionaires, only 124 are female.'[34] While that shouldn't necessarily make the case for more female billionaires, it illustrates how extreme wealth manifests gender inequality even at the very richest of the economic chain.

In a 2019 study, feminist economist Debbie Budlender, alongside her colleagues, outlined how gender biases in economic systems and policies perpetuate gender inequality and stressed the importance of implementing policies that gave rise to more equitable wealth distribution if there is to be any hope of greater gender parity.[35]

Meanwhile, work by Francesca Rhodes for Oxfam international illustrates that as wealth becomes concentrated in the hands of a few individuals, women often face limited access to resources and opportunities, leading to increased poverty rates and reduced empowerment.

Since gender equality is identified as one of the UN's 17 goals critical to inclusive and sustainable development at large, the risk extreme wealth poses to women, girls and genderqueer people, should be considered a risk to us all.

Gender disparity in wealth

124 females out of **1,000** billionaires

Race relations

When it comes to mapping existing racial inequalities onto wealth, Oxfam has found that 'very few of the super-rich are racialized people,' with only five of the top 1,000 billionaires being Black.[36] In the early 1980s, Cedric J. Robinson coined the term racial capitalism to capture how 'the development, organisation, and expansion of capitalist society pursued essentially racial directions.'[37]

In 2019, Melvin Oliver and Thomas Shapiro's book Black Wealth/White Wealth built on Robinson's work and helped to popularise the understanding of the racial wealth gap. The racial wealth gap contextualises the roots of today's material disparity by showing how centuries of slavery, segregation, systemic racism, discrimination, and exclusionary policies like discriminatory lending practices, and unequal access to education and employment opportunities have all played significant roles in shaping the wealth divide between racial and ethnic groups.[38]

In the UK, this manifestation of racial inequality spans the full spectrum of wealth. In a 2023 report published by London School of Economics, researchers found that 'ethnic minority groups in Britain, at all levels of wealth, are substantially less well off than white Britons.' Looking to the richest end of the scale, the wealthiest 5% of British white people have three times more in household wealth than the wealthiest 5% of those from a Black African background.[39]

In a system where the rich enjoy disproportionate economic benefits, this can be considered as not only a redistribution from poor to rich, 'but also from women to men and from racialized people to white people'.[40] As extreme wealth continues to spiral upwards, the divides in racial and gender inequality deepen.

JUST 5

of the top 1,000 billionaires are Black.

Environment

The willful ignorance of extreme wealth

The final risk extreme wealth poses is fundamentally existential: the harm to the natural ecosystems and environment upon which we all rely. Disproportionate consumption of natural resources, the extraction and damage committed by many of the companies from which wealth generates its profits, and the distraction of philanthropy all constitute risks that extreme wealth poses to the planet.

Disproportionate consumption

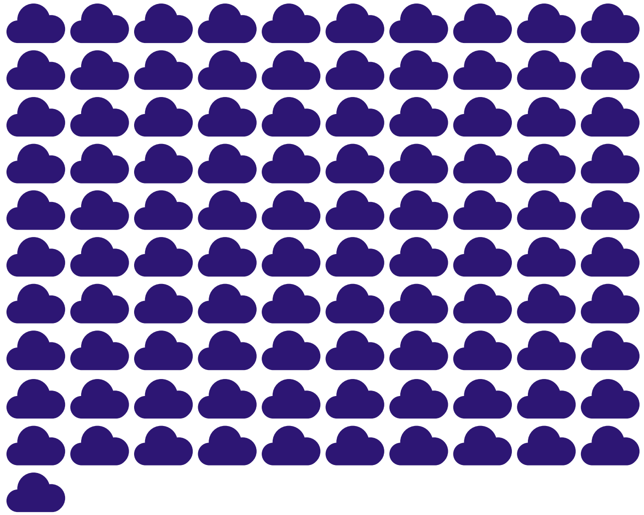
Over recent years, as extreme wealth and carbon emissions have spiralled, a number of researchers have confirmed that how wealthy someone is is the best predictor of their level of pollution. When it comes to the very wealthy, private planes, multiple houses, and the possibility for endless consumption of goods all contribute.

To compare this gross imbalance, the global average of one person's CO_2 emissions is six tonnes, whereas the 1% emit 101 tonnes of carbon dioxide per person per year.[41] Accounted for as volume, that's the equivalent of 22 Olympic-sized swimming pools' worth of CO_2, which would require 4,600 mature trees working for a year to absorb.

As Kate Raworth points out in her book Doughnut Economics, high levels of national inequality go hand in hand with increased ecological degradation. In part, she says, 'because social inequality fuels status competition and conspicuous consumption' but also because a divided society undermines the shared sense of responsibility to make personal sacrifices and lifestyle adjustments for the collective good.[42] In this light we can see how breakdown in both social cohesion and the environment are interlinked through the mechanism of extreme wealth.

This individualistic approach to the climate crisis also extends to plans for dealing with it. Recent years have seen a 'prepping' phenomenon amongst the super-rich purchasing 'apocalypse retreats' in the likes of rural New Zealand. Ultimately, however, wealth will not buy protection from the natural disasters caused by climate breakdown.

Top 1% average CO2 emissions



101 tonnes

Average person's CO2 emissions

6 tonnes

Investments

We can also understand the risk extreme wealth poses to the environment when we understand the environmentally-damaging source of super-rich wealth, and therefore the motivations to support such industries, despite the existential risk to humanity.

Despite countless warnings and long-held knowledge about the threat that extraction and consumption of fossil fuels poses to the planet, oil and gas remain one of the most financially profitable industries. In our current financial system, when the prospect of short term monetary gain goes head to head with long term destruction, it is the former that wins. Indeed the film satirical film Don't Look Up exemplified this myopic and farcical view: when faced with climate apocalypse, discussions still focused on shareholder value.

0.04%

the percentage of the ultra-rich's assets donated to environmental causes

In the eight years since the establishment of the Paris Agreement, designed and signed to coordinate a global response to the threat of climate change, the world's 60 largest banks have provided nearly US$7 trillion in financing to fossil fuels. Almost half of that went to companies expanding further into fossil fuels.[43] As we know, wealth generates wealth, and it does so through such short-termist, extractive markets that are ultimately costing our collective future. Oxfam's 2022 report Carbon Billionaires highlights recent analysis that demonstrates this, finding that the investments of 125 of the world's richest billionaires emit three million tonnes of carbon a year.[44]

While some might point to the philanthropic work of the wealthy to address the climate crisis, this only accounts for a tiny fraction of their wealth. Estimates by the ClimateWorks Foundation find that environmentally-motivated charitable giving amounts to just 0.5% of the money sitting in private foundations and donor-advised funds. That's 0.04% of the assets of the ultra-rich.[45]

As Thomas Piketty concludes: 'It is impossible to seriously fight climate change without a profound redistribution of wealth, both within countries and internationally.'[46]

Concluding on the risks of extreme wealth

Key findings and common themes

This report consolidates a range of existing research into the risks posed to seven domains of life, including democracy, the media, law, the economy, social cohesion, equality, and the environment. It is a reflection of the incredible research inroads already made into understanding this phenomenon, demonstrating how comprehensive the dangers of neglecting extreme wealth have become. It also exposes the gaps in understanding and the need for more comprehensive study to be done. In summary:

The risks to democracy

Extreme wealth reaches into our democracies, exerting pressure through lobbying, donations and favours with the expectation of political payback. This undue influence undermines the very core of equality in democracy: 'one person, one vote'. It is no surprise then that we are seeing a plummeting number of those who put their trust in the democratic process. To restore a properly working liberal democracy, with wide participation and trust, the impact of extreme wealth must be faced. Yet much of this influence happens behind closed doors - escaping the 'formal workings of institutions', as Robeyns notes. Therefore, we cannot rely on surface level regulation, extreme weath's influence on the political system must be stymied more broadly through a deeper understanding, and broader recognition of its harm.

The risks to media and the law

Extreme wealth also exploits and exerts control over our media and legal domains. Through the dramatic consolidation of the sources of news and information, super-rich individuals and private organisations have an outsized influence on mainstream political and cultural narratives. Meanwhile extreme wealth leverages and bends the instruments of the law to maintain itself. These crucial pillars of access to unbiased information and justice must also be secured from the threat of extreme wealth.

The risks to the economy

In the face of extreme wealth, the fallacy of trickle down economics is replaced with a reality of hoover up economics. With the accumulation of vast resources in such a small proportion of society, economies suffer from slow growth, stifled competition, and financial collapse. A number of economists have noted the parallels between today's economic patterns of extreme wealth inequality with the early 20th century crash and Great Depression, but the tipping point at which this risk kicks in must be more clearly established.

The risks to social cohesion and equality

Ironically, the extreme wealth at the very top of the economic spectrum is often seen as aspirational. Yet the system from which the super-rich benefit is not a meritocratic one. This contradictory scenario is contributing to growing social unrest. The decline in social cohesion can be seen in many of the world's wealthiest countries where polarisation is on the rise in combination with growing inequality. The correlation is clear but we also require stronger indications of causation.

In addition to creating new inequalities, extreme wealth compounds existing inequalities, including those such as gender and race. Both inequalities map directly onto the proportion of billionaires that are female or Black, a tiny percentage in each case. This does not mean advocating for a more 'diverse' set of billionaires, but instead it makes clear that such a homogeneous group of super-rich individuals will likely only keep replicating themselves. A better understanding of the threshold at which extreme wealth locks out the vast majority of the population from economic opportunities, particularly those having historically been oppressed, must be developed.

The risks to the environment

Turning finally to the environment, we can see how the economic elite enjoy a disproportionate consumption of resources and release of emissions, exacerbating the existential threat posed to humanity by climate change. Notably, sources of the wealth of the super-rich often have a disproportionate vested interest in the maintenance and growth of fossil fuel industries. When the primary goal of wealth is to reproduce itself in pursuit of further growth, the reality of the finite resources of the planet are willfully ignored. So long as unchecked accumulation of wealth is allowed to go on without any meaningful accountability the planet remains at risk.

A systemic issue

The harm extreme wealth poses to each of these seven domains are not mutually exclusive nor self-contained. One of the biggest threats of extreme wealth is its omnipresence throughout so many facets of life, interlocking and exacerbating many of our biggest challenges. While we often consider crises in each of these domains independently, we rarely consider how extreme wealth sits at the core of all of them.

Common to many of the harms is that there is an outsourcing, externalisation, or ignorance towards the crises extreme wealth creates. While money cannot buy long term protection from the dangers of social unrest or climate breakdown, in the short term it continues to act as a psychological and physical buffer between those with extreme wealth and the reality for the vast majority of society.

The continuance of this harmful imbalance is not inevitable but we cannot rely on the status quo to remedy such a systemic and deep set problem. We require new narratives and tools to address it. We need to draw a line in the sand and face the threat extreme wealth poses head on.

'While money cannot buy long term protection from the dangers of social unrest or climate breakdown, in the short term it continues to act as a psychological and physical buffer between those with extreme wealth and the reality for the vast majority of society.'

A line in the sand

The need for an extreme wealth line

As shared at the beginning of this report, a number of people and institutions have already named a number at which they define different levels of wealth. While all valid in their relevant contexts, we require more extensive research and consultation on the point at which extreme wealth begins to directly harm many of the aspects of modern society we hold dear. We desperately need a clear metric, or set of metrics, that simply present the point at which wealth begins to have a deleterious impact.

> *'We need to understand how much wealth is being accumulated, and by how many people, above the 'economic ceiling', and the consequential impacts.'*

This thinking is not new - policy tools already exist that help us understand when the economic state is harmful. The most obvious and comparable one is the poverty line: used by international finance institutions and governments to understand how many people are living with too little - the 'economic floor'. Just as the poverty line, which sets an unacceptable threshold for anyone to fall below, is an indicator of whether our economic system is functioning well, a wealth line is required to indicate the same thing from the other end of the scale. We need to understand how much wealth is being accumulated, and by how many people, above the 'economic ceiling', and the impact that is having. If we believe economic inequality is a problem, then we need to measure both the floor and the ceiling.

While recognised as a blunt and limited tool, poverty lines have been central to efforts to tackle poverty globally, from calculating wages and bringing legal challenges, to targeting support at those most in need. As we have seen, the amount of extreme wealth accumulating in so few hands is having damaging effects, yet we don't have the indicators to frame this, point to the issue, and design solutions to address it.

We require academic research that can produce the evidence for a metric, or set of metrics, as to where there is causation between extreme wealth and harms caused to the likes of society, democracy, and the environment. Meanwhile, we must create space for and stimulate political engagement on the need for an indicator to better address the problems caused by extreme and spiralling wealth. Finally, the public must be consulted on the concept and provided with a new frame of reference and narrative through which to discuss and understand extreme wealth.

When we reflect on the myriad risks extreme wealth poses to us all, the idea of an extreme wealth line should transcend ideological and political borders, just as the existence and use of an extreme poverty line does. An extreme wealth line would not constitute an enforceable limit or cap. Likewise it is not a specific policy. It is instead a new lens to understand how wealth interacts with and transfigures the systems that govern our world. It is a new opportunity for conversation about a fairer economy. Ultimately, it is a new tool that the world urgently needs to build a more equitable, thriving, and sustainable future for all.

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