

# SUMMARY – Living on Different Incomes in London: Can public consensus identify a ‘riches line’?

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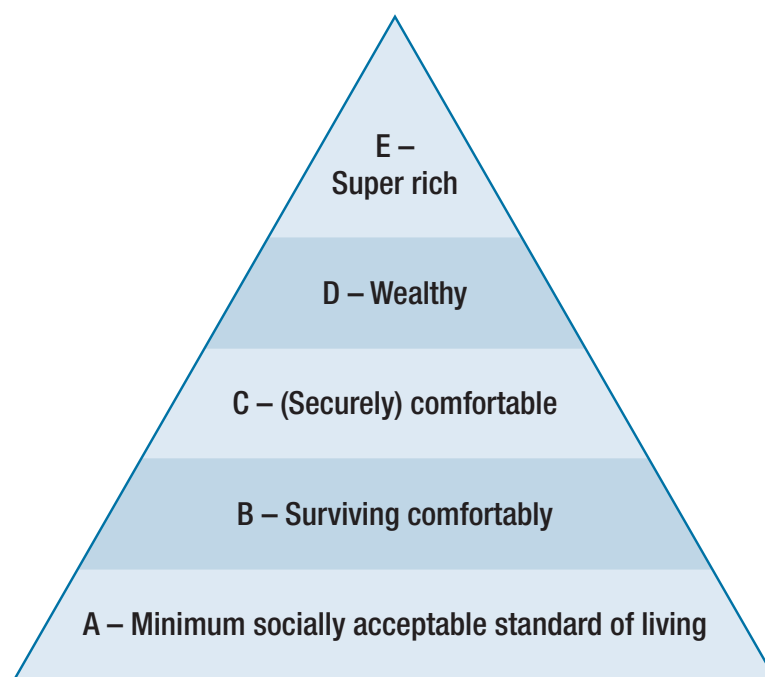


# SUMMARY – Living on Different Incomes in London: Can public consensus identify a ‘riches line’?

There is widespread public and political concern about economic inequality in the UK today but relatively little research exploring people’s opinions about high incomes, wealth and what it means to be rich. This innovative study aimed to explore what members of the public with lower and higher incomes living in London think defines higher living standards and whether there is a point at which financial resources (income and wealth) are excessive or undesirable for society. London was chosen as the location for the study because economic inequality is particularly pronounced and plainly visible in the capital.

## Key findings

There was a considerable degree of consensus across participants from different income groups. They identified five levels of progressively higher living standards. The levels were not seen as equally spaced.



- The perceived advantages of having wealth and a high income were not just material, but also related to intangible aspects such as *security* (financial and sometimes physical), *freedom* (including freedom from worry, choice over how to use your time, and where to live, shop and take your leisure), as well as positive aspects of *power and influence* (such as the ability to help family, or to be charitable).
- Some participants were uncomfortable with current levels of economic inequality, but there was no general support for the idea that any specific level of wealth was wrong, superfluous or problematic.
- Attitudes towards rich people were nuanced and took into consideration how they got their money, how they spent it, and whether they were using it for the good of others (for example, through philanthropy or creating jobs). This points to emerging narratives of the deserving and undeserving rich.
- Positive attitudes towards aspiring to be rich were associated with a strong belief in meritocracy, and with the perception that seeking security through wealth was a legitimate way to protect oneself and one's family in an uncertain world.
- Potential social, democratic and environmental harms to society from concentrations of wealth were acknowledged by participants but they set these against potential benefits. Moreover the status quo was widely regarded as inevitable: the rich will always be with us, and they are the ones who make the rules.

The research team concluded that the terms of current policy debates about economic inequality do not readily fit with the views expressed by the research participants. To achieve greater synergy, policymakers and others advocating for a more progressive distribution of resources might need to frame their proposals in terms of wealth as well as income. They may also explore whether there are ways that treat wealth differently according to how it is acquired and how it is deployed. Another response might be to address some underlying factors that influence people's attitudes to wealth, such as the importance attached to acquiring assets to protect against economic insecurity, which suggests an inadequate level of social and state support.

## Background

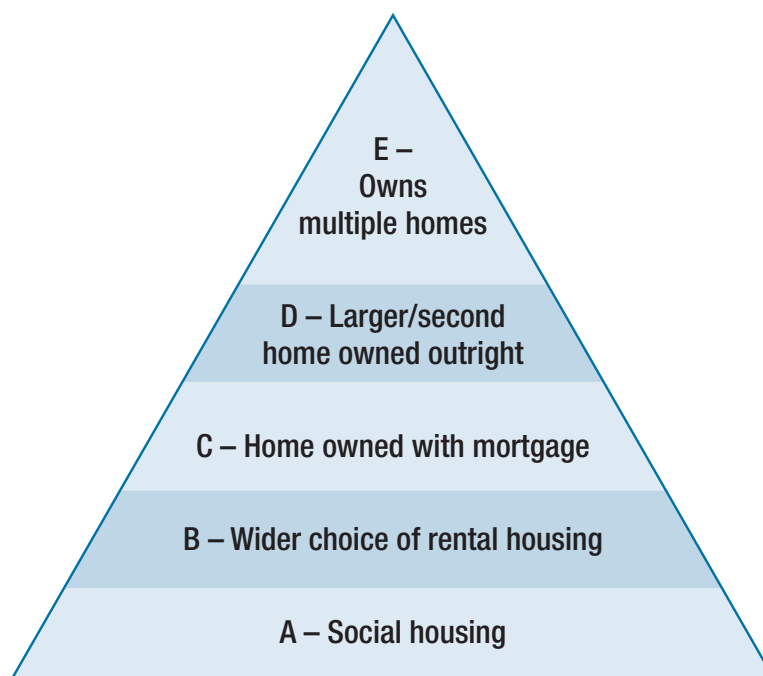
There is much public and political discourse around economic inequality. But whilst there is a substantial body of research about attitudes towards, and definitions of, poverty, there is relatively little research about the other end of the spectrum: people's perceptions of what it means to be rich; what 'richness' is, who is 'rich' and what this means for society as a whole.

## Describing different standards of living

To help people to think about these questions, this innovative study involved groups of members of the public discussing what people need in order to reach progressively higher standards of living. Building on the successful methodology used in developing public consensus on minimum income standards, the discussions were framed around what people need to be able to afford to consume or to do in order to reach these standards. Participants negotiated and reached consensus on consumption 'bundles', described in terms of assets, goods, activities and services that they associated with different levels of living *well above* a minimum. These descriptions of different living standards were followed by conversations about the benefits and disadvantages of some individuals having a very high level of financial resources. Participants were asked if they could identify a point somewhere on the scale that they had helped to devise (Levels A-E) at which financial resources (either income, wealth or both) could be considered excessive.

Groups were able to identify and reach broad consensus on levels of progressively higher living standards quite straightforwardly. Figure 1 illustrates one aspect of this – groups’ ideas about the type of accommodation a London family at each level would have (acknowledging that this characterisation is approximate).

**Figure 1: Indicative housing at different levels for a London family with children**



In addition to tangible items such as housing, cars and technology, more abstract concepts featured in the discussions such as freedom of choice (over goods and services, but also over how and where to spend your time); and peace of mind and security (both personal and financial). Participants also associated higher standards of living with having greater ability to influence the lives of others – for better, for example through helping your children or donating to charity, or for worse, for example by buying up investment properties and contributing to pressures on housing in London.

Having identified the different levels, groups were asked whether there was a point at which a household would have everything it needed to have a wide range of choices and opportunities - a ‘fully flourishing life’, as referred to by Robeyns (2019)<sup>1</sup>. As shown in Table 1, the description of Level C allowed families to flourish in many different ways, including having financial assets and being able to afford a wide range of leisure opportunities and personal services. However, opinions varied on whether this was a ‘fully flourishing’ level. Some argued that this was only available at level D, which would provide the stability that many people valued, allowing one to withstand serious financial shocks, and was therefore seen as a justifiable and acceptable standard of living for those who were able to have it, despite being a lifestyle available to very few people in the UK.

<sup>1</sup> Ingrid Robeyns (2019) ‘What, if Anything, is Wrong with Extreme Wealth?’, *Journal of Human Development and Capabilities*, DOI: 10.1080/19452829.2019.1633734

**Table 1: Assets, goods and services at levels C and D**

Area	Level C – (Securely) Comfortable	Level D – Wealthy
Wealth /Finances	Premier bank account, financial advisor, Onshore investments, Savings	Additional income streams Private banking & wealth manager Offshore investments Significant savings
Education	Able to move into/live in the catchment area of a good state school and pay for additional tuition if necessary	Private education
Leisure	Eating out weekly (£20-25 for a bottle of wine) Leisure once a week, Sky Sports, Netflix, Amazon Prime More tech, higher quality Pets & insurance	Eating out weekly (£100 for a bottle of wine) 'more expensive hobbies' (riding, sailing, antiques), Pedigree pets & insurance + stabling
Holidays	2 holidays a year	5+ holidays a year (some without children)
Shopping	Groceries – 'mix and match' from Waitrose/ M&S/Tesco etc. Clothing – better quality high street plus some designer items	Groceries – organic/high end delivery/ 'food halls' Clothing – not high street – designer/ bespoke/boutique
Transport	New car/s every 2-5 years	New car each every 2-5 years, plus additional car ('for fun'/for kids)
Health and personal care	Private healthcare Personal care (acupuncture, massage) Gym membership	Private healthcare Personal trainer/yoga teacher etc. Exclusive club membership
Private service (labour)	Weekly cleaner and gardener Personal assistant	Housekeeper, gardener, more than one assistant

Groups were then asked open questions about what effects some people having higher living standards had on society (allowing for both benefits and harms), and, finally, asked if there was a point beyond the 'fully flourishing' level where someone having more was excessive, inherently unjust, or damaging on a societal and/or global scale.

These discussions involved responses to five particular issues related to being rich:

- 1) Whether above a certain point, further riches were pointless because they do not really make you significantly 'better off'. While some participants thought that quality of life would not be significantly improved above the 'comfortable' level described above, many arguments were given to the contrary. These related in particular to the additional choices and security that you gain from becoming wealthy. Some participants also argued that moving to a luxurious lifestyle does give benefit to those affected.
- 2) Whether it is unfair that some people are so rich, in a country where there is substantial poverty. This social justice argument was expressed by some participants, but others did not think that the existence of poverty and wealth could be linked in this way. They did not see this as a 'zero sum game', and the view was frequently expressed that wealth brings the opportunity to create jobs and therefore help those who are less well off. Others saw wealth and poverty as completely separate issues.
- 3) Whether social cohesion is being damaged by a wide gap between the rich and everyone else. Participants talked about how rich people could be 'separated' from the rest of society in what they did and where and that this separation could feed a lack of compassion from the rich, while the non-rich could feel a sense of dissatisfaction and resentment towards those whose lifestyle was seen as unattainable. Yet despite broad agreement on these negative consequences for society, groups did not conclude that it is unacceptable for individuals to be rich beyond a certain point.
- 4) Whether riches are threatening democracy, due to disproportionate political influence. Participants widely agreed that money could translate into power, and also that it could allow people to get away with antisocial forms of behaviour such as tax evasion. However, they did not conclude therefore that excess wealth should be curbed. This was partly because of a resignation that there is nothing that can be done to change this state of affairs, but it was also argued that some rich people use their wealth for good, such as through philanthropy, so curbing wealth was not the answer.
- 5) Whether riches are problematic for ecological reasons. Groups were presented with research finding showing that better-off households have higher emissions, and generally accepted that this could be problematic. However, they did not see the carbon footprint of the rich as being such a major problem that it could justify a curbing of wealth, partly because the rich are not very numerous. Some argued that there was rather a greater potential for better-off people to use and invest in greener technologies. There was some support for richer people to be required to take responsibility for their higher emissions, but mainly through schemes such as offsetting, rather than by trying to change their behaviours.

Overall, participants concluded that it was not easy to judge whether riches were problematic, saying that it depended on how people had acquired their fortune and how they chose to use it. They were less in favour of those who had inherited money and had not had to work for it, as well as those who 'hoarded' it or were ostentatious, but said that those who had worked hard and used it to create jobs and support charities were more deserving and could provide inspiration to others. A closer examination of these attitudes could hold clues to whether certain ways to frame proposals for redistribution might be more widely acceptable than others.

## Conclusion

While the groups in our research were able to find a broad consensus on standards of living well above the minimum, including the wealthy at the top and the super rich at the very top, they found it much harder to identify and agree on a point beyond which greater resources could be considered excessive.

This may reflect people's current perceptions of precariousness, particularly relating to incomes, employment, housing and health. Wealth was discussed as providing protection against risk and unpredictable changes in circumstances while optimising opportunities and choices. There was little sense that having more would cease to make a noticeable difference at some point, particularly in terms of intangible aspects such as freedom and security. However, people did agree that having great wealth (and often power and influence as well) is a great responsibility and that it is important that those who are more fortunate should be prepared to use at least some of their money for the good of others in society. Understanding these multiple dimensions of attitudes towards wealth and riches is crucial for developing policies that work with the grain of the aspirations and perceptions of members of the general public.

## Methodology

Six groups of between nine and ten working age people were recruited using a professional recruitment company, and convened between November 2018 and January 2019. Two of the groups were recruited as lower income (under £30,000 p.a.), two were higher income (above £50,000 p.a.), and two were mixed income groups. In all groups, participants were mixed gender and from a range of ages and ethnicities. The groups were audio recorded and transcribed and the data were analysed thematically.

## Project team

The project was a collaboration between:

Centre for Research in Social Policy (CRSP), Loughborough University: [Abigail Davis and Donald Hirsch](#)

Centre for the Analysis of Social Exclusion (CASE), London School of Economics: [Tania Burchardt, Ian Gough, Katharina Hecht and Kate Summers](#)

Centre on Household Assets and Social Mobility (CHASM), Birmingham University: [Karen Rowlingson](#)



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Loughborough  
University

Centre for Research  
in Social Policy

## Centre for Research in Social Policy (CRSP), Loughborough University

CRSP is an independent research centre based at Loughborough University conducting applied social research and policy analysis on issues related to poverty, living standards and income adequacy.



Centre for Analysis of Social Exclusion

Research at LSE ■

## Centre for Analysis of Social Exclusion (CASE), London School of Economics

CASE examines different dimensions of social disadvantage and analyses the impact of public policy.



UNIVERSITY OF  
BIRMINGHAM

## Centre on Household Assets and Savings Management (CHASM), University of Birmingham

CHASM provides a focus for world-class research on financial inclusion, financial transfers and tax, financial capability and financial assets.



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