




# WHY WEALTH TAX IS A FEMINIST ISSUE

**wbg** WOMEN'S  
BUDGET  
GROUP

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# WEALTH IN THE UK



The World Inequality Report[1] shows a decline in wealth inequality across the 20th century in the UK. However, in the 1980s, this downward trend stopped, and wealth inequality started to increase again. In 2021, the top 1% wealthiest individuals held 21.3% of the total wealth in the UK.

Wealth itself is not directly taxed in the UK. In addition, capital gains that result from holding wealth are taxed at a lower level than income from employment. This under-taxation increases income and wealth inequality, reinforcing existing disparities among groups and gender gaps. At the Women's Budget Group, we argue that the taxation of wealth is a feminist issue because it can tackle gender inequality and raise public revenue to strengthen our social infrastructure.

[1] World Inequality Lab (2022) World Inequality Report. Country sheets – United Kingdom.

# THE GENDERED DISTRIBUTION OF WEALTH

## Women have £101,000 less wealth than men

Wealth inequality is gendered because of the unequal distribution of unpaid care and structural discrimination against women. The ONS analysis of the Wealth and Survey (WAS) covering April 2018 to March 2020 highlights that the wealthiest 10% hold nearly 50% of all wealth. Women hold, on average, £101,000 less wealth than men.[2]

## The gender pension gap is 35%

The ONS estimated the difference between men's and women's private pension wealth (Gender Pensions Gap, GPeG). They considered people around 55 with non-zero uncrystallised private pensions (not in payment). The 2018 – 2020 data shows that men have £145,000 in private pension wealth and women £94,000, or 35% more.[3]

## Income inequality leads to wealth inequality

The GPeG is 10% for people between 35 and 39 years old and rises to 47% for 45- to 49-year-olds. This trajectory reflects the gender differences in earnings and how it changes across the life cycle. The gender pay gap is 3.2% for people between 30 and 39 years old and then increases to 10.9% for people between 40 and 49.

[2] ONS (2022) [Distribution of individual total wealth by characteristic in Great Britain: April 2018 to March 2020](#)

[3] ONS (2023) [The Gender Pensions Gap in Private Pensions](#)

# WEALTH TAXATION TO TACKLE GENDER INEQUALITIES

## End tax breaks that increase gender inequality

In the Spring Budget 2023, the Government announced the abolition of the lifetime allowance for private pensions, starting this year. This move is projected to cost £835m in 2027/28, favouring men with larger pension pots and contributing to the gender pension gap.

"Non-doms" do not pay taxes for offshore income and capital gains. Taxing this income could increase public revenues by £3.2bn per year [4] and reduce gender inequality: 67% of non-domiciled taxpayers are men.

## Contribution for a green and caring economy

Taxes and public spending are important ways to redistribute resources and reduce gender inequalities. We must reform our tax system to make it more progressive: those with more should contribute more. Income from capital gains should be taxed at the same level as income from employment.

Taxing wealth at a progressive rate could raise £27bn per year.[4] As men hold more wealth than women, this would immediately reduce wealth disparities by gender. It would help fund our public services and invest in social infrastructure, an essential element for a green and caring economy, and reduce gender inequalities.

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