

Why the Gini coefficient underestimates wealth

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I wrote about [inequality here yesterday](#) and the usual range of nearly anonymous right wing trolls and astroturfers were out in force to say that inequality in the UK has gone down according to IFS and OECD measures since the coalition has been in power.

There are two obvious reasons. The first is that the wealthy are now so few in number but so immense in value that survey data does not pick them up.

The second, [as the Tax Justice Network explain here](#), is that so much wealth is now offshore and hidden from view it does not show up in the data used to calculate [Gini coefficients that measure inequality](#) .

Of the two the latter is, I am sure, the most significant explanation for this apparent and glaringly obviously wrong statistical aberration. Interestingly, [Thomas Piketty endorsed TJN's finding](#).