

# Funding the Future

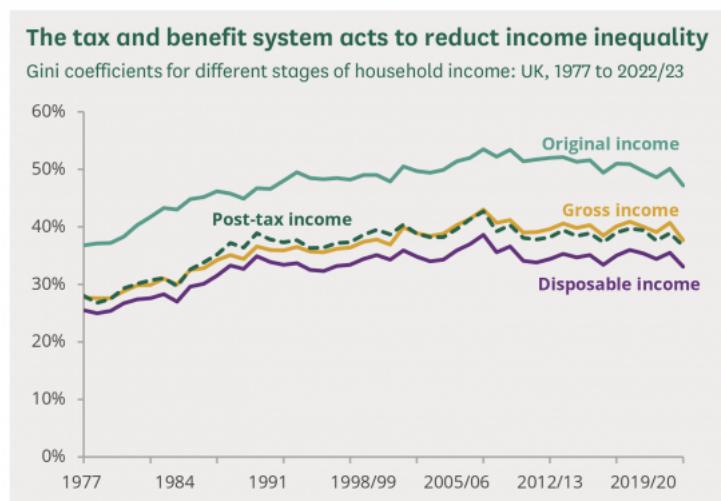
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Published: January 12, 2026, 7:02 pm

This chart comes from the [House of Commons Library](#).

They, in turn, took it from the Office for National Statistics

What it shows is four versions of the Gini coefficient for the UK:



The Gini coefficient is one of the measures that can be used to estimate inequality in a country. It is a number between zero and one that can also be expressed as a percentage from 0% to 100% that represents income or wealth inequality in a population. Zero represents perfect equality (everyone has the same income), and one represents perfect inequality, meaning one person has everything, and everyone else has nothing.

As is clear, the trend in the UK has been towards growing inequality, but the critical lines here are the darker green dotted and yellow ones. They compare gross and post-tax incomes.

Note that they move together.

Tax does not redistribute income in the UK.

Nor does the benefits system, with benefits income being included in gross income.

I accept there are arguments to be made about original and disposable income, but I am concentrating on non-equivalent incomes here and the impact of tax, and in effect, there is none.

As the House of Commons Library says:

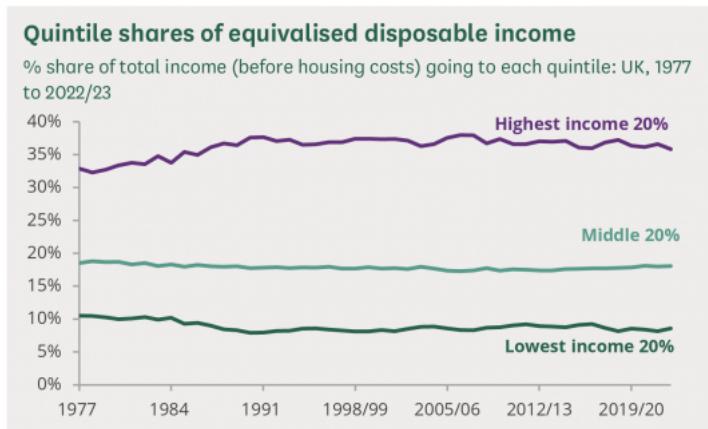
*Disposable income is net of direct taxes which are mostly related to income. However, households also pay indirect taxes, for example Value Added Tax (VAT) and duties on alcohol and fuel, based on their expenditure. Poorer households tend to spend a higher proportion of their income in indirect taxes than richer households. Consequently, there is more inequality in 'post-tax incomes' (net of both direct and indirect taxes) than in disposable incomes.*

In summary, we have a tax and benefits system that fails to deliver redistribution of income, let alone wealth, in this country.

We should be hanging our heads in shame.

We really do need to put the measures in the [Taxing Wealth Report](#) into effect.

No wonder we are poor as a country. We are letting the poor get poorer:



Source: ONS, [The effects of taxes and benefits on household income, disposable income estimate](#), using data from the Living Costs and Food Survey and Family Expenditure Survey

And since the data is by quintile (20% bands), this does not show by how much the rich are getting richer.

We cannot have a better society unless those with the lowest income have a bigger share of the income of the UK. It is as simple as that. When will they realise that this is the path to growth, if that is what they want, and the path to justice, which they should

want, or why are they in office?

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*Hat tip to George Monbiot, who referred to this in an article.*