My concerns about Gary Stevenson's economics of wealth

s://www.taxresearch.org.uk/Blog/2025/08/07/my-concerns-about-gary-stevensons-economics-of-we
Published: January 12, 2026, 8:09 pm

In a recent video, Gary Stevenson said:

"Governments are running out of money, just like a person running down their savings."

Gary Stevenson has become a significant critic of inequality in the UK today. His video this week is no exception. It is urgent and angry. And it is right about some things. But it is also deeply wrong in ways that matter, particularly when it comes to how government finances actually work. That matters because if we misdiagnose a problem, we inevitably come up with the wrong cure.

I have summarised some of my major concerns in another post already today, but let me explore them further here.

First, Gary is absolutely right that we are living through a class war. The very rich are undoubtedly increasing their share of wealth within our economy. This is not happening by accident or through merit. It is happening because government policy — on taxation, regulation, labour rights, and public services — has been systematically designed to favour capital over people. This is how neoliberalism was intended to work and does work.

As a result, the poor have already been impoverished. Millions of children in the UK now live in poverty, wholly unnecessarily. The welfare state has been cut to the bone so that the wealthy might have ever more saved uselessly with their investment managers. And now, as Gary rightly points out, the middle class is under threat. The coming budget might well raise taxes on those just affluent enough to be visible, but not in any way rich enough to resist. This is unjust and politically dangerous, although I would add that his definition of the middle class as those earning more than £100,000 a year is way out of kilter, and a sure sign of a wealthy man who has lost touch with reality. Those people are exceptionally well paid, as the data I have explored in my series on the wealthy shows.

Second, Gary is also correct that taxing the rich is not only possible; it is necessary. The

UK, like many countries, has a vast untaxed reserve of private wealth. Governments that claim “there is no money” are lying. There is money. It’s just in the wrong hands. But, and I have to stress this, we really do not need a wealth tax for all the reasons I explain in the Taxing Wealth Report.

But third, and this is the key problem, Gary’s central metaphor used in his video is not just wrong; it is false. Governments are not like households or individuals, as he makes clear that he thinks they are. The household analogy that he uses to explain his ideas is intellectually bankrupt: governments and households work in diametrically opposed ways, and he suggests that they are the same.

Governments do not run out of money the way a person depletes savings.

They do not depend on prior wealth to spend.

And they do not face the same constraints as a borrower at the mercy of creditors does, because they create the money in our economy, meaning those constraints cannot exist. They guarantee people's loans precisely because they do not need to borrow.

When governments spend in their own currency, as the UK does, they create the money that they spend. Every time the Treasury tells the Bank of England to make a payment, new money enters the economy. This is not controversial. This is what has happened since 1866.

In that case, the idea that the government must finance its spending by “selling assets” or “earning passive income” from its past wealth, as Gary suggests, is wrong. That may be how households function, but it is not how states like the UK work. Mistaken politicians might think that to be true, but that does not mean they are right, and nor is Gary.

Of course, governments can issue bonds. And, of course, they tax. But these are macroeconomic policy tools to balance the fiscal cycle. They withdraw government-created money from circulation to control inflation. They fund nothing at all. Most particularly, what is called borrowing exists to manage interest rates and to meet the needs of the City of London and those facilities are offered as a favour by the government, which cannot then be dependent upon them, whilst taxation exists to shape society, reduce inequality, and control inflation. But money is never a scarce resource for the government. The constraint is not running out of pounds; it is running out of real capacity in the economy to acquire so that the government might achieve its goals, whether those resources be people, energy, land, or materials.

Fourth, in that case, framing the problem as a government “running out of wealth” leads to dangerous conclusions. It encourages a politics of fear. It lends credibility to the idea that the government must “tighten its belt” and deliver austerity when what we actually need at present is bold public investment. In effect, such framing endorses everything that neoliberalism has to say about the funding of government, all of which is wrong.

Worse, it obscures the true mechanisms of exploitation. The rich are not gaining because the state is poor. They are gaining because the state is complicit with the narrative that ensures they are poor. The transfer of power from the public realm to private wealth has not been a natural decline. It has been a deliberate act.

So, where does this leave us?

*
Gary might be correct to say that the middle class is the next group in society to be taxed excessively so that the rich might avoid the liabilities that they should pay, but it does not help that he gets his definition of wealth very wrong.

*
He might also be right to say that in some ways, politically, only two options remain: tax the rich or let the rich eat everyone else. But that still does not require a wealth tax.

*
And he is right to call for solidarity between the middle and working classes against a billionaire elite that will otherwise consume us all. But in that case, he has to be clear that those earning considerable sums have to pay more tax.

But Gary is wrong to suggest that the government has "run out of money." It hasn't. It never could. What it has run out of is political will, including the will to create a public understanding of how the economy actually works. That is where the real problem lies. And to tackle that, we have to:

*
Reject false household analogies.

* Reject neoliberalism.

* Demand more effective taxation of wealth of the sort I describe in the Taxing Wealth Report.

*
Demand that the state serve people, not capital.

*
And above all, we must challenge the economic myths that allow this class war to

continue, which unfortunately, Gary is not doing.

If we let the metaphor of “government as a bankrupt householder” dominate, we will always end up taxing the wrong people, cutting the wrong services, and blaming the wrong causes.

That’s not a future worth funding. I want something significantly better than that, and I hope others do too, because Gary's current offer will, unfortunately, perpetuate the economic conditions that have led to austerity, and that cannot help anyone.