

## Inequality is breaking the economy

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We have just published [this short video on YouTube](#) and many other channels.

This is the transcript:

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Inequality is undermining our economy. That's the consequence of too much income going to those at the top of the economic pile in the UK.

Those wealthy people do not spend most of what they earn. Their money is saved and not circulated. The result is that demand across the whole of our economy is weakened. Inequality leads directly to stagnation as a result. It's deeply dangerous to our well-being.

What we must do is spread spending power more widely. Those with lower and middle incomes spend most of what they earn. They don't have any choice but do so after all, that's all they've got to live on. Their spending power then supports jobs and businesses.

When their incomes fall because of wealth concentration, the whole economy suffers. Redistribution restores demand where it is needed. It gives the money that is required for those on lower and middle incomes to spend in the way that keeps economic activity going in this country.

Without redistribution, instability in the UK would grow. Weak demand leads to low growth, and underinvestment and wealth concentration just encourages that. The economy then becomes reliant on debt taken out by those on lower and middle incomes to sustain spending.

Meanwhile, asset bubbles are going on at the top of the wealth pile because they've got nothing to spend their money on and chase investment opportunities which aren't real. That replaces real economic activity, and the consequence is social tensions rise

alongside inequality. We've seen that with regard to the price of housing. This makes our whole economy fragile and crisis-prone.

We need redistribution as a consequence. It's not optional. It sustains demand and economic stability. It reduces dependence on debt and speculation. It supports employment and productive investment.

Extreme inequality of the sort we've got is economically damaging.

Redistribution keeps the economy functioning properly.

It's time to tax wealth, and the income and gains from wealth properly. Our economy requires it, and we have to get on with it now.