

Will Wealth Become More Concentrated in the UK?

A post-Keynesian Approach

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Abstract

Piketty's (2014) book *Capital in the 21st Century* reinvigorated the discussion on wealth inequality. Central to Piketty's theory is the "fundamental law" that when the rate of return on capital exceeds the growth rate ($r > g$) wealth will converge to a small elite. Post-Keynesians have critiqued the neoclassical foundations at the core of Piketty's approach, which neglects the role of distribution and aggregate demand in long run ownership dynamics. Ederer and Rehm (2020a) develop a post-Keynesian response to Piketty, including a post-Kaleckian model of wealth inequality which accounts for differences in the propensity to save between classes. Hein, Marpe and Schütt (2025) extend this model by integrating real estate and mortgage debt. Both studies apply the model to ten European economies. We advance the Hein, Marpe and Schütt (2025) model by integrating a dynamic savings rate and apply it to the UK economy. We also further contribute to the theoretical debate on class and wealth distribution through choosing to define classes along socio-economic lines. Akin to Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025), we find that wealth inequality in the UK will increase but will not converge to a small elite owning all wealth, as the Piketty model suggests.

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This paper also uses published ONS statistics (Family Spending, Effects of Taxes and Benefits on Household Income, UK National Accounts: The Blue Book). These contain public sector information licensed under the Open Government Licence v3.0.

Table of Contents

1. Introduction.....	1
2. Piketty’s approach to wealth concentration	3
2.1. The Piketty Model.....	3
2.2. The post-Keynesian response to Piketty	3
2.3 Ederer and Rehm’s post-Kaleckian Model of Wealth Distribution.....	5
2.3.1. Hein, Marpe and Schütt’s contribution	5
2.3.2. Limitations with the Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025) approach.....	6
3. The Theoretical Model.....	7
4. Methodology and Calibration to the UK	12
4.1. The National Statistics Socio-economic Classification (NS-SEC)	12
4.2 Calibration of Model Parameters	14
4.3 Baseline Calibration and Results.....	16
4.4 Alternative Class Definitions	19
4.4.1 Reduced capitalist definition.....	19
4.4.2. Expanded capitalist definition.....	22
5. Discussion and Comparison.....	25
5.1 Comparison to Hein, Marpe and Schütt (2025)	25
5.2. More equal than Europe? Considerations and discussion specific to the UK economy	27
5.3. The significance of NS-SEC classes for model results	29
6. Conclusion	30
List of References	32
Appendix A: Model Calibration.....	35
Appendix B: Sensitivity Analysis; Including Business Wealth	40
Appendix C: Sensitivity Analysis; Holding Savings Propensity post-2018 Constant.....	42

List of Abbreviations

CIGA – Capital Income Generating Assets

FYE – Financial Year End

GFC – Global Financial Crisis

NS-SEC – National Statistics Socio-economic classification

ONS – Office for National Statistics

PK – post-Keynesian

PKE – post-Keynesian Economics

UK – United Kingdom

WAS – Wealth and Assets Survey

Table of Figures

Figure 1., Observed z versus stable z^{**} for the baseline scenario	19
Figure 2., Observed z versus stable z^{**} under the reduced capitalist definition	21
Figure 3., Observed z versus stable z^{**} under the expanded capitalist definition	23
Figure 4., Country comparison for parameter values in 2017	26
Figure 5., Country comparison for parameter values in 2021	27

List of Tables

Table 1: Transaction Flow Matrix for an Economy in the post-Keynesian model	11
Table 2: Allocation of NS-SEC groups into the two-class framework	12
Table 3: Construction and sources of calibrated variables.....	14
Table 4: UK Calibrated model parameters.....	16
Table 5: Observed and calibrated long-run capitalist wealth shares.....	18
Table 6: UK Calibrated model parameters under the reduced Capitalist definition	20
Table 7: Observed and calibrated long-run capitalist wealth shares under the reduced Capitalist definition	20
Table 8: UK Calibrated model parameters under the expanded Capitalist definition	22
Table 9: Observed and calibrated long-run capitalist wealth shares under the expanded Capitalist definition.....	22
Table 10: Observed z and stable z^{**} by class definition	24
Table 11: Composition and calculation of capitalist saving propensity.....	35
Table 12: Composition and calculation of workers saving propensity	36
Table 13: Distribution of total wage income.....	36
Table 14: Calculation of the Capital-income-generating-asset shares and current capitalist wealth share for FYE 2015 to FYE 2018.....	37
Table 15: Calculation of the Capital-income-generating-asset shares and current capitalist wealth share for FYE 2019 to FYE 2022.....	39
Table 16: UK Calibrated model parameters including Business Wealth	40
Table 17: Observed and calibrated long-run capitalist wealth shares including Business Wealth	40
Table 18: UK Calibrated model parameters with fixed FYE 2018 savings propensities	42
Table 19: Observed and calibrated long-run capitalist wealth shares with fixed FYE 2018 savings propensities	42

1. Introduction

Piketty's publication of *Capital in the Twenty-First Century* (2014) brought wealth distribution back into the mainstream, yet his theoretical model has been a source of contention for post-Keynesian economists, who have long advocated for the consideration of functional distribution in macroeconomic models. This prompted Ederer and Rehm (2020a) and later Hein, Marpe and Schütt (2025) to develop a calibrated post-Kaleckian model which tested Piketty's fundamental law, that if the rate of return on capital continues to exceed the growth rate ($r > g$), wealth will accrue to a small elite (Ederer and Rehm, 2020a). We apply a similar post-Kaleckian model to the UK economy, to ask whether wealth inequality will continue to increase in the UK, and whether it will reach the Piketty corner case where all wealth is owned by a small elite. Using a post-Kaleckian model, which accounts for differences in savings behaviour and accumulation between classes, provides a more nuanced analysis than that of Piketty. Consequently, we hypothesise that wealth inequality will increase in the long run but will not converge to capitalists owning all wealth, as in the Piketty model.

Being a financialised economy which has become heavily reliant on house price driven growth in recent years (Kohler, Tippet and Stockhammer, 2023) the UK presents an interesting analytical case. Furthermore, the debate regarding wealth taxation and wealth inequality has intensified post-Global Financial Crisis (GFC), with most Britons now believing that the wealthy hold more power than governments (Kings College London, 2023). This raises an interesting political question as to whether Britons are right to be increasingly concerned.

The empirical analysis combines Office for National Statistics (ONS) data from Waves 1–5 and Rounds 5–8 of the Wealth and Assets Survey (WAS) (ONS, Social Survey Division, 2026), Effects of Taxes and Benefits statistics (ONS, 2026a), household expenditure data (ONS, 2026b) and the UK National Accounts (ONS, 2025). We also contribute to the ongoing debate within post-Keynesian economics (PKE) as to the understanding and defining of classes and saving behaviour in modern capitalism. Inspired by Palley's (2005; 2010; 2012) work on the managerial class, we integrate top-earning managers into our analysis using the National Statistics – Socio-economic Classification (NS-SEC). Not only does this allow us to isolate the largest employers and highest earners, but also to see how shifting the socio-economic

definition of classes alters the model. Due to non-response errors and processing inconsistencies primarily in the WAS (Advani, Bangham and Leslie 2021; Bourquin, Brewer and Wernham, 2023) the empirical calibration is subject to some limitations. The resulting estimates should therefore be interpreted as indicative rather than precise measures of the UK equilibrium wealth distribution.

The paper proceeds as follows. Section 2 provides an overview of Piketty's theory of wealth distribution and the post-Keynesian (PK) response. Section 3 outlines the theoretical model. Section 4 describes the methodology used to calibrate the model for the United Kingdom and presents the results of the calibration. Section 5 discusses the implications of the findings in relation to the Hein, Marpe and Schütt (2025) study and other research on wealth inequality within the UK. Section 6 concludes.

2. Piketty's approach to wealth concentration

Although PK scholars were pleased to see inequality brought back into the mainstream by Piketty (Ederer and Rehm 2020b), the neoclassical foundation of Piketty's model means it diverges significantly from a PK understanding. This section shall discuss Piketty's model of wealth distribution, and how PK conceptions of distribution contradict this.

2.1. The Piketty Model

Integral to Piketty's (2014) approach to wealth distribution is the fundamental law $r > g$. This leads to the proposition that, in the long run and absent any countervailing forces, a sustained gap between r (the return to capital) and g (the growth rate) produces not only rising income inequality but an ever-increasing divergence between those who own or inherit capital and those who do not. If capital income grows faster than economic growth, the average profit share rises above the average labour share of income. This benefits those who already own capital, increasing their capital stock, which will in turn generate more capital income, a self-reinforcing, virtuous cycle. Carried to its theoretical limit, this would produce the case where a small elite owns all wealth (Piketty, 2014, p. 44ff; Ederer and Rehm, 2020a), leading the long-term equilibrium wealth share to equal 1. Yet Piketty balances "a radical interpretation of his analysis with theoretical countertendencies, historical analysis and empirical work" (Ederer and Rehm, 2020b, p.196), as much of his analysis focuses exogenous on factors such as wars, depressions, and progressive taxation, that have repeatedly constrained wealth concentration throughout history and across countries.

2.2. The post-Keynesian response to Piketty

Piketty's work has received a mixed reception from PK scholars (Ederer and Rehm, 2020b). Many have praised his empirical work, which is unmatched in terms of breadth and depth. Other post-Keynesians, however, also criticise Piketty on several points regarding his model and its neoclassical nature (King, 2017; van Treeck, 2015). The central critiques can be distinguished into three aspects, the neglect of demand dynamics (Sawyer, 2015; van Treeck, 2015; López-Bernardo, López-Martínez and Stockhammer, 2016) his definition of capital (López-Bernardo, López-Martínez and Stockhammer, 2016; Sawyer, 2015), and use of homogeneous savings rate (Sawyer, 2015).

Piketty states that “an annual rate of return of a few percent, compounded over several decades, automatically results in a very large increase of the initial capital, provided that the return is constantly reinvested, or at a minimum that only a small portion of it is consumed by the owner of the capital” (2014, pp.75-77). Post-Keynesians have highlighted this as a fallacy of composition on Piketty’s part which can be attributed to the neoclassical production function at the core of his model, that neglects aggregate demand dynamics and assumes the rate of profit as technologically determined (Piketty and Zucman, 2014, p. 1270). Through not considering aggregate demand, Piketty does not account for the fact that whilst a high propensity to save out of profits may increase profits for the individual capitalist, it will not do so at the macroeconomic level, as capitalist’s rate of return depends on consumption of other capitalists at the aggregate level. In short, the model does not account for Keynes’ famous ‘paradox of thrift’ (1936, chapter 7). López-Bernardo, López-Martínez and Stockhammer (2016) have stressed this point, utilising the Cambridge equation formulated by Kaldor (1955) and Pasinetti (1962) to argue that Piketty’s scenario where the savings propensity of capitalists is equal to one is the only instance in which r will not be larger than g .

Post-Keynesians have also criticised Piketty for using the terms wealth and capital synonymously (Sawyer, 2015; López-Bernardo, López-Martínez and Stockhammer, 2016), considering business capital and non-productive capital such as housing as a homogeneous good. By defining wealth and capital as one and the same, Piketty’s assumption that the wealth to income ratio will continue to rise suggests the capital to income ratio will also rise. Even from a neoclassical standpoint, this would cause marginal productivity to fall and thus the rate of profit. From a PK standpoint, savings exceeding investment leads to deflation via the Harroddian instability process (Sawyer, 2015). Furthermore, considering r as an amalgamation of assets neglects the difference in access to income generating assets by income level or class group. As Sawyer (2015) has highlighted, two classes may therefore hold similar amounts of total wealth but receive a different rate of return when the composition of their wealth differs. Similarly, Pasinetti (1962) and Palley (2012) have highlighted the importance of asset ownership in determining distribution in the long run. Although Piketty acknowledges that those with more wealth tend to have access to higher income generating assets (Piketty, 2014, chapter 12) this feature not endogenous to the model.

A further, more Kaleckian, critique of Piketty’s theorem is the assumption of a homogenous household unit and the neglect of differences in the propensities to save between classes. This

is the focal point of Ederer and Rehm (2020a; 2020b) and Hein, Marpe and Schütt (2025), who have sought to demonstrate that when savings propensities are assumed to differ between workers and capitalists, a more nuanced result will arise than the Piketty corner case.

2.3 Ederer and Rehm's post-Kaleckian Model of Wealth Distribution

Ederer and Rehm (2020a; 2020b) were the first to develop a post-Keynesian model in response to Piketty's 'fundamental laws' using 2010 data from the Household Finance and Consumption Survey (HFCS). Unlike Piketty, they stress demand led growth, heterogeneous forms of capital and class-specific saving behaviour. They examine ten EU economies and find that only three of the ten countries studied reach the Piketty corner case. The long-term equilibrium wealth share ranges between 0.35 and 1. Despite this, they argue that Piketty's findings can hold during a transition phase, even if wealth concentration later stabilises at a level below 1. Simulations show that capitalist wealth share, the wealth-to-income ratio and income inequality can rise for decades before stabilising. The paper also models a wealth tax, showing that a permanent Piketty-style tax can reduce capitalist wealth concentration. Another Ederer and Rehm (2021) paper connects wealth distribution to the wage-led/profit-led demand debate showing that redistribution toward profits may raise demand in the short run, but it also increases capitalist wealth concentration. A short-run profit-led economy may therefore become wage-led in the long run.

2.3.1. Hein, Marpe and Schütt's contribution

Hein, Marpe and Schütt (2025) extend the Ederer and Rehm (2020a) model in two ways. First, they use later HFCS waves from 2014, 2017 and 2021 to test whether the empirical capitalist wealth shares move toward the long-run equilibria predicted by Ederer and Rehm (2020a). Their results are mixed: some countries show convergence, while others do not. However, because saving rates are held fixed from the 2010 estimates, the later comparisons may understate changes in class behaviour over time.

Their second contribution is to include real estate assets and mortgage debt. This broadens net wealth from productive financial and business wealth to a wider household balance-sheet measure. They argue that real estate is too important to ignore. They find that including real estate lowers the actual capitalist share of wealth, confirming Ederer and Rehm's suspicion that housing wealth is more equally distributed than financial and business wealth (Ederer and

Rehm, 2020a; Hein, Marpe and Schütt, 2025). Still, calibrated long-run equilibria remain high, so the gap between actual and equilibrium wealth concentration often becomes larger.

2.3.2. Limitations with the Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025) approach

Ederer and Rehm calculate class-specific saving rates from 2010 household budget data and then use these rates as fixed model parameters. Hein, Marpe and Schütt (2025) also keep the saving propensities from Ederer and Rehm's 2010 calculations when comparing later HFCS waves from 2014, 2017 and 2021. This is a practical choice, but it creates theoretical problems. It assumes that the saving behaviour of workers and capitalists stays stable over time, even though saving rates may change with income, debt, interest rates, asset prices and changes in the profit share. Furthermore, if the relative contribution of these subgroups to the capitalist wealth share changes over time, the average saving rate of the capitalist class may change as well. Our model partially addresses these limitations and thus further contributes to the literature on post-Kaleckian models of wealth distribution by recalculating the savings rate for each period, and through redefining class groups along socio-economic lines. The theoretical model of Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025) upon which we build is detailed below.

3. The Theoretical Model

This section details the post-Kaleckian wealth distribution model developed by Ederer and Rehm (2020a) and extended by Hein, Marpe and Schütt (2025), which we use to analyse wealth distribution in the UK economy. As referenced above, the model differs significantly from Piketty (2014), as wealth distribution is the outcome of class-specific saving behaviour, income composition and asset ownership.

The economy is divided into two household classes: capitalists and workers. Importantly, both classes may receive wages and capital income, both can save and accumulate wealth. The long-run distribution of wealth can thus emerge endogenously from differences in income and saving behaviour rather than being mechanically determined by the condition $r > g$.

The central variable is z , the capitalist share of total net wealth. Total wealth V is divided between capitalist wealth V_R and worker wealth V_W :

$$z = \frac{V_R}{V}, \quad 1 - z = \frac{V_W}{V} \quad (3.1)$$

In the short run, z is taken as given. In the long run, however, it becomes endogenous because both classes accumulate wealth according to their incomes and saving propensities. This distinction is central to the model. Changes in income distribution do not immediately produce an equivalent change in wealth ownership; instead, differences in saving gradually alter the relative accumulation of capitalist and worker wealth over time (Ederer and Rehm, 2020a).

The profit share, h , determines the functional distribution of total income Y between profits and wages. Total profits are:

$$\Pi = hY \quad (3.2)$$

While total wages are:

$$W = (1 - h)Y \quad (3.3)$$

Consistent with the post-Kaleckian tradition the profit share is treated as exogenous (Hein, 2014, chapter 6), while the profit rate adjusts endogenously through changes in capacity utilisation.

Capitalists also earn a share of wages. The parameter α represents the capitalist share of total wage income. Capitalist wage income is therefore:

$$W_R = \alpha(1 - h)Y \quad (3.4)$$

while worker wage income is:

$$W_W = (1 - \alpha)(1 - h)Y \quad (3.5)$$

This feature is particularly important for the present empirical application, because the capitalist class includes higher managerial occupations who receive substantial labour income despite their class position (see table 4). Allowing capitalists to receive wages avoids identifying capitalists exclusively with profit income and workers exclusively with wages. More generally, it permits the model to represent the blended income structures observed in modern capitalist economies (Palley, 2010; Ederer and Rehm, 2020a).

Unlike Piketty, Ederer and Rehm (2020a) account for differences in the access to income generating assets via the parameters γ_R and γ_W which measure the shares of capitalist and worker wealth respectively that consist of capital-income-generating assets (CIGA). Accordingly, for Ederer and Rehm (2020a), profit income is distributed according to CIGA rather than total wealth alone.

The capitalist share of profits is:

$$\Pi_R = \frac{\gamma_R z}{\gamma_W(1 - z) + \gamma_R z} hY \quad (3.6)$$

while workers receive:

$$\Pi_W = \frac{\gamma_W(1-z)}{\gamma_W(1-z) + \gamma_R z} hY \quad (3.7)$$

Capitalist total income consists of wage and profit income:

$$Y_R = \alpha(1-h)Y + \frac{\gamma_R z}{\gamma_W(1-z) + \gamma_R z} hY \quad (3.8)$$

The same is true for workers:

$$Y_W = (1-\alpha)(1-h)Y + \frac{\gamma_W(1-z)}{\gamma_W(1-z) + \gamma_R z} hY \quad (3.9)$$

The model further assumes different saving propensities for the two classes, denoted by s_R and s_W . Class savings are:

$$S_R = s_R Y_R, \quad S_W = s_W Y_W \quad (3.10)$$

These savings generate class-specific wealth accumulation:

$$\dot{V}_R = S_R = s_R Y_R \quad (3.11)$$

$$\dot{V}_W = S_W = s_W Y_W \quad (3.12)$$

therefore:

$$\dot{V} = \dot{V}_R + \dot{V}_W = S_R + S_W \quad (3.13)$$

These accumulation identities make explicit the mechanism linking saving behaviour to changes in ownership. If capitalist wealth grows faster than total wealth, the capitalist wealth share increases. Conversely, if worker wealth accumulates faster, the capitalist share declines.

Differentiating z to provide the change over time gives:

$$\dot{z} = \frac{\dot{V}_R - z\dot{V}}{V} \quad (3.14)$$

Substituting the accumulation identities produces:

$$\dot{z} = \frac{s_R Y_R - z(s_R Y_R + s_W Y_W)}{V} \quad (3.15)$$

The long-run equilibrium is reached when the capitalist share of total wealth becomes stationary:

$$\dot{z} = 0 \quad (3.16)$$

Thus:

$$s_R Y_R - z(s_R Y_R + s_W Y_W) = 0 \quad (3.17)$$

This means that capitalist wealth is increasing at exactly the rate required to preserve its existing share of total wealth. Total wealth may continue to grow, but its distribution between capitalists and workers no longer changes.

Substituting the class-income equations into this condition and rearranging gives the quadratic equation employed by Hein, Marpe and Schütt (2025):

$$Cz^2 + Dz + E = 0 \quad (3.18)$$

The coefficients are:

$$C = -[s_W(1 - \alpha) + s_R \alpha](1 - h)(\gamma_R - \gamma_W) - (s_R \gamma_R - s_W \gamma_W)h \quad (3.19)$$

$$D = s_R \alpha(1 - h)(\gamma_R - \gamma_W) + s_R \gamma_R h - [s_W(1 - \alpha) + s_R \alpha](1 - h)\gamma_W - s_W \gamma_W h \quad (3.20)$$

$$E = s_R \alpha(1 - h)\gamma_W \quad (3.21)$$

The two mathematical solutions are:

$$z_{\pm}^{**} = \frac{-D \pm \sqrt{D^2 - 4CE}}{2C} \quad (3.22)$$

A transaction flow matrix summarising these interactions can be found below.

Table 1: Transaction Flow Matrix for an Economy in the post-Keynesian model

	Workers' households	Capitalists' households	Firms' current	Firms' capital	Banks	Σ
Consumption	$-C_W$	$-C_R$	$+C_W + C_R$			0
Investment			$+I_F$	$-I_F$		0
Wages	$+W_W$	$+W_R$	$-(W_W + W_R)$			0
Profits (dividends, interest on corporate bonds, profits of self-employed, rents)	$+\Pi_{FW} + \Pi_{BW}$	$+\Pi_{FR} + \Pi_{BR}$	$-(\Pi_{FW} + \Pi_{FR})$		$-(\Pi_{BW} + \Pi_{BR})$	0
Interest on loans	$-Z_W$	$-Z_R$	$-Z_F$		$+Z_W + Z_R + Z_F$	0
Change in equity, corporate bonds, self-owned business	$-dE_W$	$-dE_R$		$+dE_W + dE_R$		0
Change in deposits	$-dD_W$	$-dD_R$			$+dD_W + dD_R$	0
Change in loans	$+dL_W$	$+dL_R$		$+dL_F$	$-(dL_W + dL_R + dL_F)$	0
Σ	0	0	0	0	0	0

Notes: C_W : consumption of workers, C_R : consumption of capitalists, I_F : firms' investment in the capital stock, W_W : wages received by workers, W_R : wages received by capitalists, Π_{FW} : profits from firms to workers, Π_{FR} : profits from firms to capitalists, Π_{BW} : profits from banks to workers, Π_{BR} : profits from banks to capitalists, Z_W : interest payments to banks by workers, Z_R : interest payments to banks by capitalists, Z_F : interest payments to banks by firms, dE_W : change in equity and corporate bonds held by workers, dE_R : change in equity, corporate bonds and own business held by capitalists, dD_W : change in deposits held by workers, dD_R : change in deposits held by capitalists, dL_W : change in loans to workers, dL_R : change in loans to capitalists, dL_F : change in loans to firms. Source: Hein, Marpe and Schütt (2025)

Mathematical existence, economic admissibility and stability should be distinguished. A root is economically admissible if it lies within $0 \leq z \leq 1$, whereas stability concerns whether deviations from the equilibrium cause the system to return towards it. Positivity alone therefore does not imply stability. Local stability is assessed from the eigenvalue of the one-dimensional dynamic system, obtained by evaluating the derivative of $\dot{z}$ with respect to z at each equilibrium. An equilibrium is locally stable when this eigenvalue is negative and unstable when it is positive. In the empirical calibrations of Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025), the numerically upper root is stable. The same stability test is applied to the UK calibrations below, with the eigenvalue evaluated separately at both roots. The stable solution is reported as the economically relevant long-run wealth share.

4. Methodology and Calibration to the UK

The model is calibrated to the UK for the financial years ending (FYE) 2016 – 2022. Estimates are required for the capitalist and worker saving propensities, s_R and s_W , the profit share h , the capitalist share of wage income α , the CIGA shares γ_R and γ_W , and the observed capitalist share of wealth, z . We calibrate the model using household income data from the ONS Effects of Taxes and Benefits (ONS, 2026a), household expenditure data from Family Spending (ONS, 2026b), wealth aggregates and distribution from the Waves 1–5 and Rounds 5–8 of the Wealth and Assets Survey (WAS) (ONS, Social Survey Division, 2026) and profit share data from the UK National Accounts (ONS, 2025).

Parameters that can be constructed directly from UK data, s_R , s_W , γ_R , γ_W , h , α , and z , are estimated using the relevant ONS datasets (2026a-b; 2025) and aggregated microdata from ONS, Social Survey Division (2026). The empirical approach differs from Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025) primarily through using UK-specific socio-economic classifications. The next section will explain how the NS-SEC categories function, and how we use them to translate reported socio-economic groups into our theoretical classes.

4.1. The National Statistics Socio-economic Classification (NS-SEC)

The UK National Statistics Socio-economic classification (NS-SEC) arose following a review by the ESRC from 1994 – 2001 into redefining class groups. It makes three broad distinctions between employers, workers and those excluded from the labour market. Through analysing employment relations, these broader categories are then expanded into subgroups, the subgroups and our classifications are listed below.

Table 2: Allocation of NS-SEC groups into the two-class framework	
NS-SEC Groups	Class Allocation
Large employers and higher managerial	Capitalist Class
Higher professional	Working Class
Lower managerial and professional	Working Class
Intermediate	Working Class

Small employers	Capitalist Class
Lower supervisory	Working Class
Semi-routine	Working Class
Routine	Working Class
Long-term unemployed	Excluded / Remainder
Students	Excluded / Remainder
Occupation not stated	Excluded / Remainder
<i>Source: Author's Own, NS-SEC groups derived from Rose and Pevalin (2001)</i>	

The authors note that modern corporate forms of property mean that only 0.1% of employers are large employers (Rose and Pevalin, 2001). They argue that the higher managerial class hold the same degree of autonomy in the workplace and thus are combined with the large employer group. It is important to note that we class small employers as capitalists in the baseline scenario, but this group also contains own account workers. It is common for companies to hire workers as self-employed own account workers, as they are not entitled to regular contracted hours, sick pay or workplace insurance (Raikes and Bestwick, 2026). Thus, including the small employer group in our baseline capitalist class inadvertently includes much of the “precariat” class (Standing, 2011). There is a precedent for classing self-employed workers within the wage share (ILO, 2019). We simulate the results both with and without small employers included in the data set for the reader’s consideration.

Utilising the NS-SEC classification brings several benefits. Firstly, our allocation preserves the two-class structure of the theoretical model while allowing capitalists to receive substantial labour income, consistent with the blended-income approach pioneered by Palley (2005) and present in Ederer and Rehm’s (2020a) theoretical model. The NS-SEC classifications are formed first by relation to capital (employer, employed or excluded) and then by employment relation which captures the degree of autonomy within the workplace. Looking at how employment relations and autonomy impact class conflict and relations injects further nuance into the class debate and has been investigated already by Rabensteiner and Guschanski (2025) to explain rising wage inequality.

The classification also integrates top managers and employers into one class, allowing us to avoid complications and inaccuracies in the UK data sets (Rose and Pevalin, 2001). Classifying groups by employment relation rather than top 1% income share, as in Ederer and Rehm

(2020a) and Hein, Marpe and Schütt (2025), also means that top earners who have no control over their means of production and less autonomy at work, such as financial traders or corporate lawyers, are not incidentally included in the capitalist class.

Another advantage is that having disaggregated data allows us to highlight the proportion of each class group in society. We can also change class definitions to see how this impacts long term equilibrium wealth distribution. For example, adding higher professionals to the capitalist class to determine how much wealth will be held by the upper middle classes in the long run. Finally, as a distinction created for UK policy making and economic analysis, the results hold more relevance for policy makers than a traditional capitalist-worker distinction.

4.2 Calibration of Model Parameters

Table 3 summarises the empirical construction of the UK-specific variables and the datasets from which they are obtained. A detailed description of model calibration can be found in Appendix A.

Notably, data for the WAS is collected in two-year ‘waves’: April 2016 – March 2018, April 2018 – March 2020 and April 2020 – March 2022. Consequently, parameters calculated using the WAS (γ_R , γ_W , z , and the share of capitalist households in the population) will have identical values for the two years.

Table 3: Construction and sources of calibrated variables			
Variable	Composition	Source (Dataset)	Construction
s_R, s_W Capitalist and Worker saving propensities	Expenditure	<i>Family Spending</i> , Workbook 4: Expenditure by household characteristic ONS (2026b)	Aggregated each class’s disposable income and expenditure using each source’s published household numbers.
	Disposable income	<i>Effects of Taxes</i>	
α	Wages and salaries	<i>and Benefits on Household Income</i>	Capitalist wages and salaries as a share of

Capitalist wage share		ONS (2026a)	total wages and salaries of both classes.
h Profit share	Gross operating surplus, gross mixed income and GDP at factor cost	<i>UK National Accounts: The Blue Book</i> ONS (2025)	Gross operating surplus plus gross mixed income as a share of GDP at factor cost.
γ_R, γ_W Capitalist and Worker capital-income-generating asset shares	Gross financial assets excl. deposits minus financial liabilities minus main residence debt plus other property value minus other property debt	Aggregated Microdata from the Wealth and Assets Survey, Waves 1-5 and Rounds 5-8	Divided each class's capital-income-generating wealth by its total net wealth
z Observed Current Capitalist share of total wealth	Total net wealth, defined as net financial wealth plus net property wealth	ONS, Social Survey Division (2026)	Capitalist total net wealth divided by the total net wealth of both classes.
Capitalist household share	Households per NS-SEC socio-economic group		Total number of households in the Capitalist socio-economic groups divided by the total number of households in the Capitalist and Worker groups combined.
Source: ONS (2026a-b), ONS (2025) and ONS, Social Survey Division (2026)			

4.3 Baseline Calibration and Results

The calibrated parameters are inserted into the equilibrium equation developed in Section 3. Under the baseline class definition, large employers and higher managerial occupations together with small employers constitute the capitalist class.

Table 4: UK Calibrated model parameters						
Year	s_R	s_W	h	γ_R	γ_W	α
FYE 2016	0.22	0.2	0.45	0.27	0.04	0.11
FYE 2017	0.24	0.18	0.45	0.26	0.05	0.14
FYE 2018	0.28	0.18	0.46	0.26	0.06	0.15
FYE 2019	0.36	0.28	0.45	0.22	0.1	0.16
FYE 2020	0.41	0.32	0.45	0.22	0.1	0.16
FYE 2021	0.53	0.43	0.45	0.18	0.07	0.14
FYE 2022	0.49	0.41	0.45	0.18	0.07	0.15
<i>Source: Authors' calculations based on ONS (2026a-b), ONS (2025) and ONS, Social Survey Division (2026).</i>						

It is important to note the significant increase in the savings propensities of both capitalists and workers following FYE 2018. This is due to a change in methodology from the ONS regarding the calculation of household weights in the Taxes and Benefits survey which we use to calculate household income. From 2019, the ONS taxes and benefits survey (ONS, 2026a) calculate the average disposable household income by weighting the households by the number of individuals within them, thus giving a larger weighting to larger households. Furthermore, they no longer report the actual weighted number of households used for each socio-economic group, but only their number of individuals in the total population. To address this, we estimate household counts from the individuals reported for the socio-economic group divided by the group-specific household size taken from the Family Spending survey (ONS, 2026b). The household counts for socio-economic groups provided by the Family Spending survey (ONS, 2026b) cannot be used for this as they differ significantly when compared directly in the period FYE 2016 to FYE 2018. Fundamentally, even with correct household counts, we cannot compare savings propensity estimates from post-2018 with estimates from before, as the calculation of the average disposable household income differs too strongly.

As the savings propensity is key to determining the final value for the long-run equilibrium capitalist share of wealth, we felt it would be inconsistent to present our model as spanning a continuous timeline, as we cannot distinguish how far the shift in results from pre- FYE 2018 to post-FYE 2018 are due to societal shifts versus calibration issues. Consequently, we present our results as two separate model simulations, simulation 1 spanning FYE 2016 – 2018 and simulation 2 spanning FYE 2019 – 2022. Appendix C contains a simulation of the results holding post-2018 savings propensities constant at their 2018 level and shows that the value for z^{**} remains close to the 2018 level.

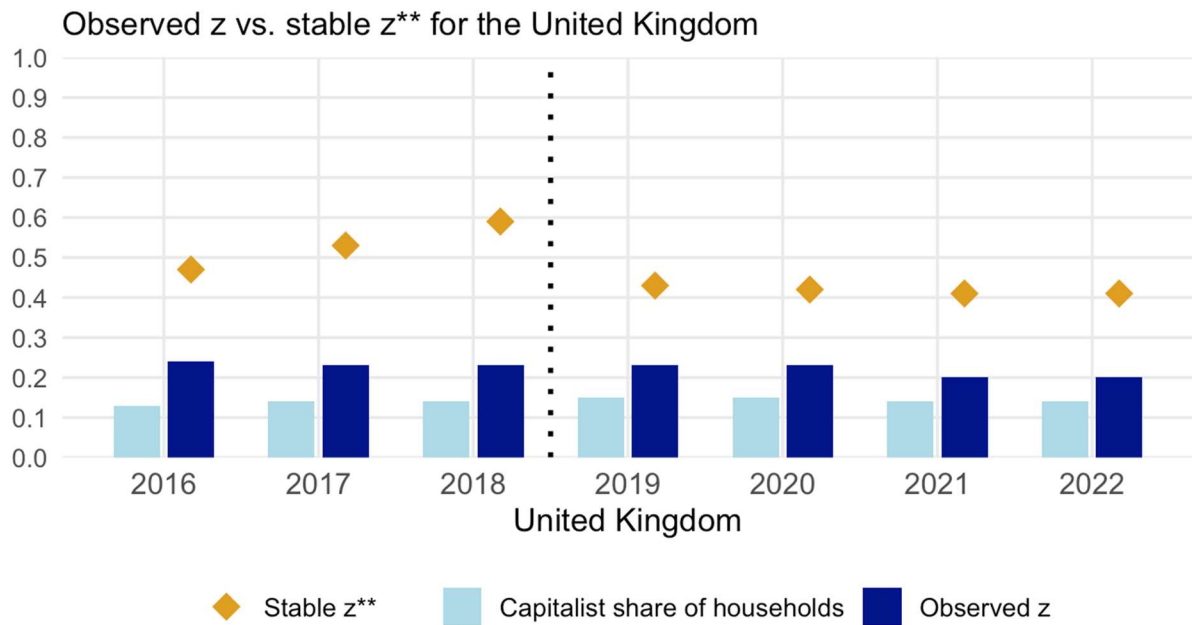
Business wealth is also not included in the calculation of total net wealth (z) or the CIGA values. This concurs with the ONS, who currently exclude business wealth from total wealth measures due to challenges in the valuation of business assets and issues in data collection (ONS, 2026c) . A study of the WAS by Advani, Bangham and Leslie (2021) found that item non-response for rich households was most severe in declaring business assets, due to there not being a clear market price for business wealth. Roughly half of respondents to the WAS who confirmed they owned a business said that the value of the business was zero. There is also evidence that the coverage of business in the WAS falls below the total number of UK businesses. Not including business wealth almost certainly understates the wealth ownership of capitalists, for whom business and financial assets are the two key components of their wealth (Advani, Bangham and Leslie, 2021). However, inconsistencies in the data mean business wealth cannot be accounted for without distorting the model results. A model simulation which includes business wealth can be seen in Appendix B.

Two roots are obtained for each year. The lower root is negative and therefore economically inadmissible. The numerically upper root is the stable equilibrium. Using the underlying unrounded workbook parameters, the stable capitalist wealth share is displayed in the table below. All values remain well below complete capitalist ownership.

Table 5: Observed and calibrated long-run capitalist wealth shares					
Year	Capitalist share of population	Observed z	Unstable z^{**}	Stable z^{**}	Stable $z^{**} - z$
FYE 2016	0.13	0.24	-0.03	0.47	0.23
FYE 2017	0.14	0.23	-0.04	0.53	0.30
FYE 2018	0.14	0.23	-0.04	0.59	0.36
FYE 2019	0.15	0.23	-0.16	0.43	0.20
FYE 2020	0.15	0.23	-0.16	0.42	0.19
FYE 2021	0.14	0.20	-0.13	0.41	0.21
FYE 2022	0.14	0.20	-0.14	0.41	0.21
<i>Source: Authors' calculations using the parameter sources reported in Table 3; observed wealth and population shares based on ONS, Social Survey Division (2026).</i>					

The observed capitalist wealth share changes little, whereas the estimated equilibrium fluctuates considerably. In each year, the stable equilibrium is substantially above the observed distribution, implying further concentration of wealth towards the capitalist class if the calibrated parameters remain unchanged.

The current capitalist wealth share falls slightly from 0.24 in FYE 2016 to 0.23 in FYE 2017 – 2020 and then 0.2 in FYE 2021 and 2022. This seems to contradict the logic of the model, which assumes z will continue to rise until it reaches its long run equilibrium. However, it is important to note that z^{**} refers to the long run equilibrium, whereas the observed z s represent only the short run. Values may rise and fall slightly year on year, but this does not mean that the long run trend is not increasing wealth concentration. The effect of a change in savings rate calculation is also clear in the post-2018 period. Prior to 2018, s_W is approximately 76% of s_R , after the shift in calibration, it is closer to 80%. The impact of the change in calculation also increases the savings propensity of workers more so than of capitalists. The average savings propensity of workers increases from 0.19 pre 2018 to 0.36 post-2018, effectively doubling, whereas s_R increases by 81%. Both effects entail a lower value for z^{**} . Nevertheless, all baseline results retain the central theoretical property of an interior long-run equilibrium rather than complete capitalist ownership.



Source: Author's own calculations inspired by Hein, Marpe and Schütt (2025)

Figure 1., Observed z versus stable z^{**} for the baseline scenario

To examine the sensitivity of these results to our definition of the capitalist class we calibrate the model to parameters based on a reduced and expanded Capitalist class definition in 4.4.

4.4 Alternative Class Definitions

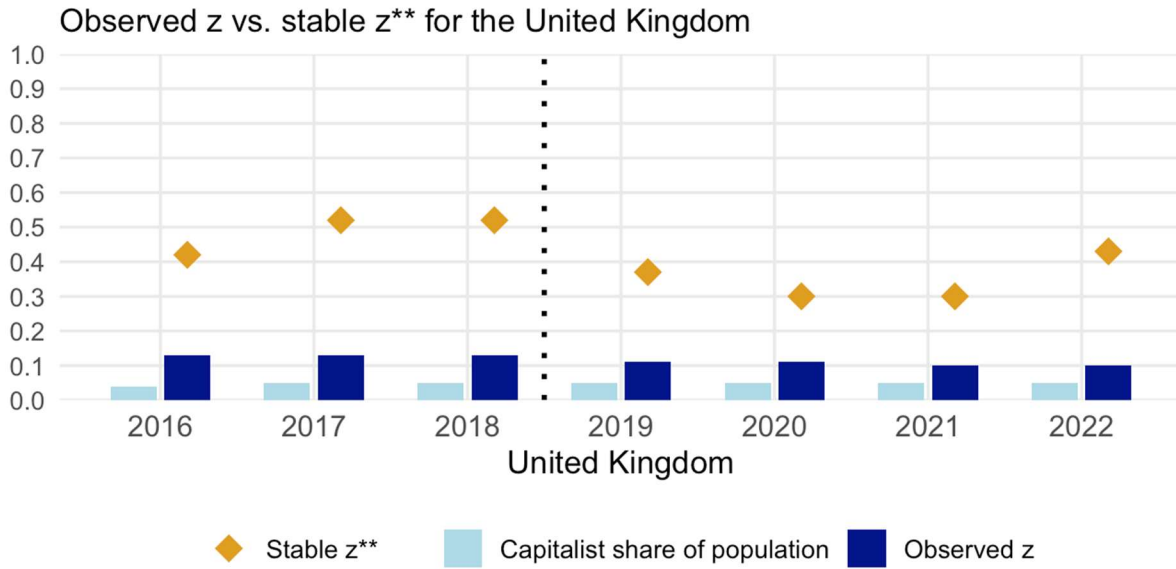
The baseline results depend partly on how the theoretical capitalist-worker distinction is mapped onto the NS-SEC categories. Two alternative classifications are therefore used to examine this sensitivity.

4.4.1 Reduced capitalist definition

The reduced capitalist definition restricts the capitalist group to large employers and higher managerial occupations, thereby excluding small employers. This tests whether the results depend on treating small employers as part of the capitalist class.

Table 6: UK Calibrated model parameters under the reduced Capitalist definition						
Year	s_R	s_W	h	γ_R	γ_W	α
FYE 2016	0.22	0.2	0.45	0.34	0.07	0.09
FYE 2017	0.25	0.18	0.45	0.34	0.07	0.11
FYE 2018	0.25	0.19	0.46	0.34	0.07	0.11
FYE 2019	0.41	0.29	0.45	0.2	0.11	0.11
FYE 2020	0.42	0.33	0.45	0.20	0.11	0.10
FYE 2021	0.53	0.443	0.45	0.17	0.09	0.10
FYE 2022	0.60	0.4054	0.45	0.17	0.09	0.13
<i>Source: Authors' calculations based on ONS (2025; 2026a-b) and ONS, Social Survey Division (2026).</i>						

Table 7: Observed and calibrated long-run capitalist wealth shares under the reduced Capitalist definition					
Year	Capitalist share of population	Observed z	Unstable z^{**}	Stable z^{**}	$z^{**} - z$
FYE 2016	0.04	0.13	-0.02	0.42	0.29
FYE 2017	0.05	0.13	-0.02	0.52	0.39
FYE 2018	0.05	0.13	-0.02	0.52	0.39
FYE 2019	0.05	0.11	-0.13	0.37	0.26
FYE 2020	0.05	0.11	-0.14	0.30	0.19
FYE 2021	0.05	0.10	-0.12	0.30	0.20
FYE 2022	0.05	0.10	-0.12	0.43	0.33
<i>Source: Author's calculations using the parameter sources reported in Table 6; observed wealth and population shares based on ONS, Social Survey Division (2026)</i>					



Source: Author's own calculations inspired by Hein, Marpe and Schütt (2025)

*Figure 2., Observed z versus stable z** under the reduced capitalist definition*

The stable equilibrium is 0.42 in FYE 2016 and 0.52 in FYE 2017 and 2018 after the shift in savings propensity calculation, the equilibrium share falls to 0.37 in FYE 2019, 0.3 for FYE 2020 and FYE 2021 and 0.43 for 2022. The reduced definition lowers the equilibrium wealth share by a minimal amount compared with the fall in the population share of the capitalist class. The population share of the capitalists falls by an average of 64% across the sample, whereas the equilibrium wealth share falls only by 13% on average. The bulk of the fall in the average wealth share is driven by the Covid period FYE 2020 – 2021.

This suggests that most wealth ownership within the baseline capitalist class accrued to the large employer / higher managerial group, although the wealth of small employers may be significantly undervalued due to not including business wealth (Advani, Bangham and Leslie , 2021; see Appendix B for sensitivity analysis). As the stable equilibrium remains substantially above observed capitalist wealth in both simulations, the exercise indicates that the modelled accumulation mechanism remains operative in both simulations even when the capitalist class is more narrowly defined.

4.4.2. Expanded capitalist definition

The expanded capitalist definition moves in the opposite direction by additionally classifying higher professional occupations as capitalists. This is intentionally broad and tests how the model responds when a larger group of high-income households is included on the capitalist side. The resulting group is closer to a broad upper-middle and upper socio-economic class and accounts for approximately 27% of the classified household population.

Table 8: UK Calibrated model parameters under the expanded Capitalist definition

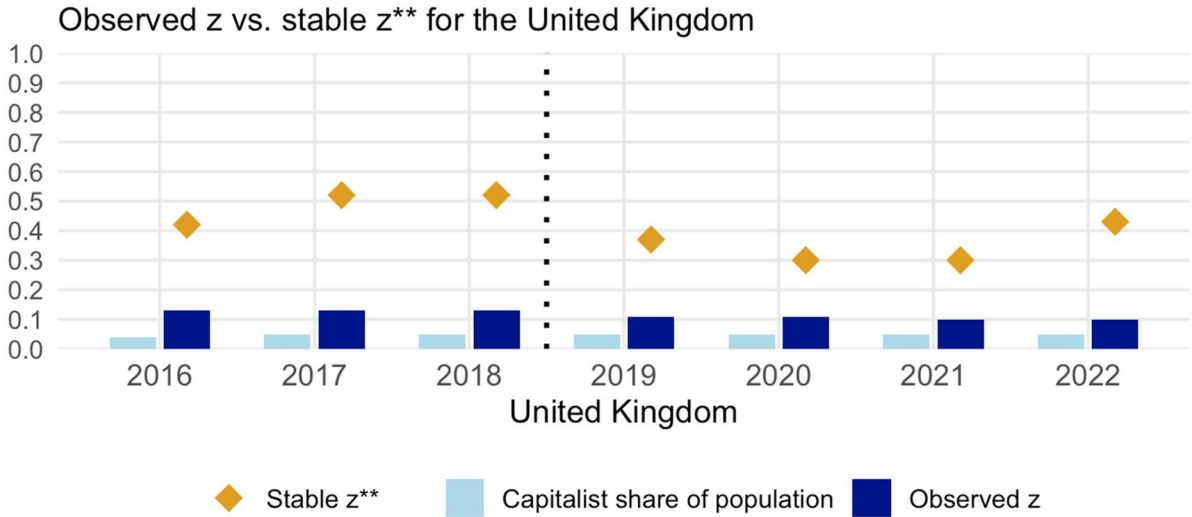
Year	s_R	s_W	h	γ_R	γ_W	α
FYE 2016	0.25	0.17	0.45	0.18	0.04	0.35
FYE 2017	0.23	0.16	0.45	0.17	0.05	0.38
FYE 2018	0.26	0.15	0.46	0.17	0.05	0.38
FYE 2019	0.33	0.28	0.45	0.18	0.08	0.37
FYE 2020	0.38	0.31	0.45	0.18	0.08	0.39
FYE 2021	0.53	0.40	0.45	0.15	0.06	0.40
FYE 2022	0.51	0.36	0.45	0.15	0.06	0.44

Source: Author's calculations based on ONS (2026a-b), ONS (2025) and ONS, Social Survey Division (2026).

Table 9: Observed and calibrated long-run capitalist wealth shares under the expanded Capitalist definition

Year	Capitalist share of population	Observed z	Unstable z^{**}	Stable z^{**}	Stable $z^{**} - z$
FYE 2016	0.26	0.44	-0.07	0.69	0.25
FYE 2017	0.27	0.42	-0.13	0.69	0.27
FYE 2018	0.27	0.42	-0.12	0.74	0.32
FYE 2019	0.27	0.43	-0.26	0.59	0.16
FYE 2020	0.27	0.43	-0.26	0.61	0.18
FYE 2021	0.28	0.43	-0.21	0.66	0.23
FYE 2022	0.28	0.43	-0.22	0.71	0.28

Source: Author's calculations using the parameter sources reported in Table 8; observed wealth and population shares based on ONS, Social Survey Division (2026).



Source: Author's own calculations inspired by Hein, Marpe and Schütt (2025)

Figure 3., Observed z versus stable z^{**} under the expanded capitalist definition

The stable equilibrium increases to 0.69 in FYE 2016 and 2017 and 0.74 in 2018. Post-2018 the values are 0.59, 0.61, 0.66 and 0.71 for the years 2019 – 2022 respectively. The capitalist share of households also increases significantly, to an average of 27% compared with an average of 14.5% in the baseline. This confirms that the exact location of the class boundary has a large quantitative influence on the calibration.

Table 10 summarises the findings of the class-based sensitivity analysis. The central qualitative result is comparatively robust. Across the baseline, reduced and expanded classifications, the model continues to generate an interior stable equilibrium rather than a corner solution of complete capitalist ownership. The classification therefore affects the estimated level of long-run capitalist wealth much more strongly than it affects the existence of a finite equilibrium itself.

Table 10: Observed z and stable z** by class definition						
	Reduced Capitalist		Baseline Capitalist		Expanded Capitalist	
Year	Observed z	Stable z**	Observed z	Stable z**	Observed z	Stable z**
FYE 2016	0.13	0.42	0.24	0.47	0.44	0.69
FYE 2017	0.13	0.52	0.23	0.53	0.42	0.69
FYE 2018	0.13	0.52	0.23	0.59	0.42	0.74
FYE 2019	0.11	0.37	0.23	0.43	0.43	0.59
FYE 2020	0.11	0.30	0.23	0.42	0.43	0.61
FYE 2021	0.10	0.30	0.20	0.41	0.43	0.66
FYE 2022	0.10	0.43	0.20	0.41	0.43	0.71
<i>Source: Author's calculations, Tables 5, 7 and 9</i>						

5. Discussion and Comparison

This section compares our results with that of Hein, Marpe and Schütt (2025). The ways in which our model diverges from the Hein, Marpe and Schütt (2025) model, and the impact which this has on our results, shall also be discussed.

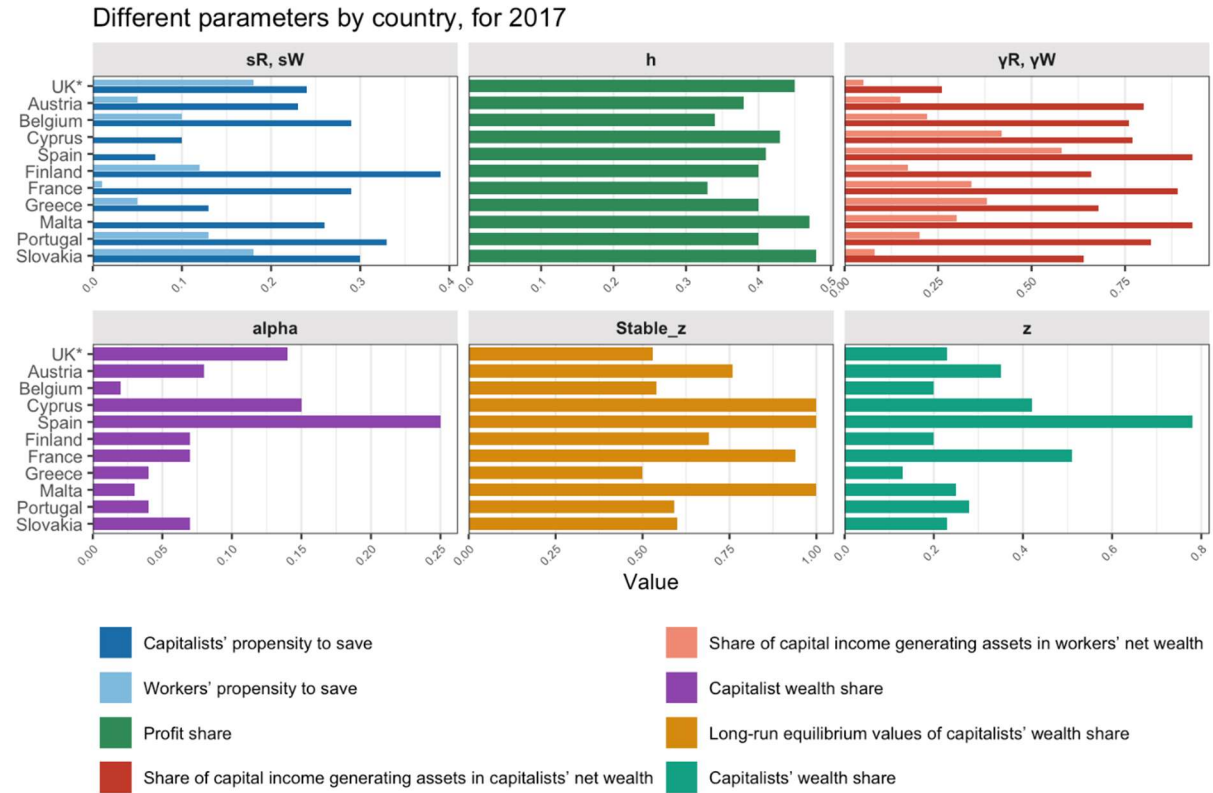
5.1 Comparison to Hein, Marpe and Schütt (2025)

Despite our theoretical model being derived from Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025), we differ from their calibration in some key respects, including how we define class groups, calculate savings behaviours, and distinguish owner-occupied housing. Subsequently, a comparison of our results with Hein, Marpe and Schütt (2025) aims to contextualise what we have obtained, rather than to draw direct conclusions.

Whereas Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025) define capitalists by employment and income, we define ours along socio-economic lines, leading to differently assembled capitalist groups. The percentage of households which are considered capitalists in the Ederer and Rehm (2020a) model averages 3.6% and ranges from 1% to 12%, as they use the same definition, the percentages in the Hein, Marpe and Schütt (2025) study are likely similar. This is significantly smaller than our baseline model classification, in which capitalists average 14.1% of the population and range from 13% to 15%. Notably, the model simulation which includes only large employers/ higher managerial is more like Ederer and Rehm (2020a) at 4.8%, however the composition of this class may still differ significantly due to it being comprised along socioeconomic lines.

Figure 4 shows how our parameter values and z^{**} differ from Hein, Marpe and Schütt's (2025) country calibrations. The capitalist saving propensity is in the middle of the range of values, whereas the workers savings propensity is relatively high. Notably the difference between the two is smaller in our calibration relative to the sampled countries. The capitalist's share of wages in the UK is significantly higher than in the Hein, Marpe and Schütt (2025) study, likely due to considering the higher managerial class as capitalists. The CIGA is comparatively low for both classes for the same reason. However, the ratio between the CIGA shares of workers and capitalists is larger than that of most values obtained by Hein, Marpe and Schütt (2025).

In sum, the long-term stable wealth share of capitalists, z^{**} , sits within the range of values produced by Hein, Marpe and Schütt (2025) but is rather low. The same applies to the current wealth share of capitalists z .



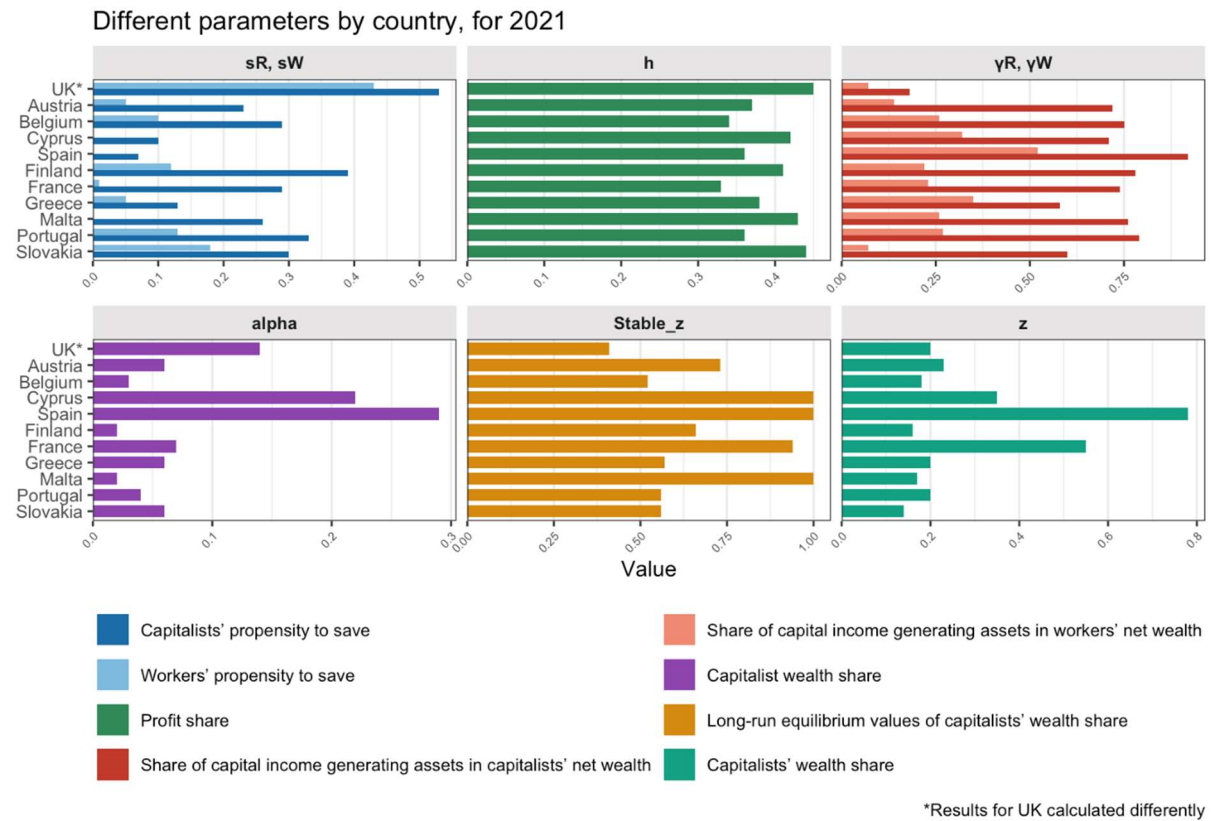
*Results for UK calculated differently

Source: Author's own calculations inspired by Hein, Marpe and Schütt (2025)

Figure 4., Country comparison for parameter values in 2017

A similar graphic for 2021 shows results for the second period which uses a different method to calculate savings propensities. The change in calibration causes the savings rate to increase dramatically for both workers and capitalists relative to all values in the Hein, Marpe and Schütt (2025) study. There is a possibility that key external events such as Covid-19 and Britain exiting the EU altered s_R through increasing uncertainty and creating a more hostile environment for export centred businesses, leading to a reduction in expenditure (Gupta et al., 2023). However, due to the shift in data calibration over this period, we are unable to draw conclusive insights into what affect these exogenous factors may have had. Interestingly, the CIGA for capitalists falls, whilst for workers it rises, as the calculation of CIGA uses the WAS, this shift is not subject to data limitations and thus could be a result of external events. Both shifts cause the z^{**} to be the lowest of all sampled countries. In sum, the shift in results demonstrates how

dependent model results are on savings propensities and CIGA within a post-Keynesian framework.



Source: Author's own calculations based on Hein, Marpe and Schütt (2025)

Figure 5., Country comparison for parameter values in 2021

5.2. More equal than Europe? Considerations and discussion specific to the UK economy

Our findings support other UK-specific studies, which find that the country has relatively low levels of wealth inequality compared with its G7 counterparts (Bourquin, Brewer and Wernham, 2023). This contradicts the political perception discussed in the introduction, that the UK as a financialised economy is and will continue to be more unequal than its European counterparts (Kings College London, 2023). There are three country-specific reasons why this might be the case.

Firstly, Kohler, Tippet and Stockhammer (2023) find that Anglo-Saxon countries including the UK exhibit higher home ownership rates than continental Europe. As highlighted by Hein, Marpe and Schütt (2025), the decision to include housing wealth in the model causes wealth to appear more equally distributed. Kohler, Tippet and Stockhammer (2023) argue that the

privatisation of housing stock via Right-to-buy policies and tax incentives created a ‘property-ladder’ (Kohler, Tippet and Stockhammer, 2023, p. 471) model in Anglo-Saxon economies, where individuals are encouraged to purchase a property as early as possible. Contrastingly, core European countries such as Austria and Belgium have a higher stock of social housing, leading to lower home ownership rates. Similarly, UK specific study conducted by Waters and Wernham (2023) recently found that the legal rights of renters are far lower than those of core European countries, and that the quality of private rented accommodation is low whilst the costs are high. Thus, a poor private rental market may also play a role in encouraging high rates of homeownership in the UK. Additionally, Advani, Bangham’s and Leslie (2021) study of the WAS finds that while business wealth is underestimated, housing wealth is overestimated. This may further tilt the model results in favour of workers.

Another reason why wealth inequality may feel more severe than its true value is that increasingly low levels of social mobility in the UK cause the importance of wealth to increase, despite ownership shares remaining lower than the European average (Bourquin, Brewer and Wernham, 2023). Wealth as a share of national income has increased substantially in recent decades, thus the absolute income gap between those with the least versus those with the most wealth has widened. Furthermore, additional wealth in recent years has been from capital gains, meaning increases in the stock of wealth are accruing to those who already have the highest ownership share. Furthermore, rising unemployment, wage stagnation and high levels of in-work transfers mean that low- and middle-income households are more similar economically now than they were in the 1980s, this causes the “tax wealth not work” (Dugmore, 2026) narrative to hold more precedence (Bourquin, Brewer and Wernham, 2023).

Finally, the results may be due to the design and calibration of our model. As referenced above, several key modelling choices differ from that of Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025). Furthermore, wealth inequality in the UK has been studied less than income inequality due to the lack of accurate and consistent data (Bourquin, Brewer and Wernham, 2023). A key limitation, which applies to all survey-based data analyses, is that the wealthiest class likely underreport their wealth to a significant degree. For example, Advani, Bangham and Leslie (2021) found that nearly 800 billion pounds of wealth held by the wealthiest UK households was missing. They also found evidence to suggest that survey measures of high-wealth families undervalue their assets. Consequently, they estimate that the true value of

wealth held by households in the UK is around 5% higher than survey data suggests. The lack of data availability on business wealth only serves to exacerbate this issue.

5.3. The significance of NS-SEC classes for model results

Through separating classes along socioeconomic lines, we can see who among the capitalist and upper middle class is driving wealth inequality. As shown in section 4.4, the large employer / higher managerial class account for most wealth ownership, despite forming a relatively small proportion of society. Adding small employers and higher professionals dramatically increases the capitalist share of households without increasing the equilibrium wealth share by the same amount. Notably, the landowning class of the UK would likely fall under the ‘occupation not stated’ class as many of them do not work and thus are not included in this model. The disaggregated NS-SEC data allows for a further extension to the model following Pasinetti (1962) and Palley (2012) in which behavioural parameters are derived for each social group, to see which group within the capitalist class dominates the wealth distribution.

6. Conclusion

This paper utilised a post-Kaleckian model (Ederer and Rehm, 2020a; Hein, Marpe and Schütt, 2025) in which wealth distribution is endogenous to savings propensities and asset ownership between classes. Applying the model to the UK economy yielded a more nuanced result than that implied by the Piketty model, confirming our hypothesis. This highlights the importance of functional income distribution in determining wealth accumulation dynamics. Our conclusion mirrors that of Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025), who find that only three out of the 10 countries reach the Piketty corner case.

We also sought to contribute to the ongoing debate on defining classes in PK distributional models, by distinguishing classes along socio-economic lines. Doing so corroborated Palley's (2012) assertion that considering capitalists as wage earners is integral in modern models of wealth distribution. Importantly, we demonstrated that this distinction can still apply in a two-class distribution model, if classes are defined by their employment relation as well as their relation to the means of production.

A key contribution was to calibrate an existing model to the UK economy. In doing so, we contributed to the growing body of PK literature providing an alternative to Piketty's vision of wealth distribution, but also to the ongoing political debate within the UK. We find that wealth inequality will worsen in the long term, but that the ability for workers to save and accumulate wealth means the Piketty case will not arise. This implies that pro-wage policies are integral to tackling wealth distribution issues, as well as the tax-based policies proposed by Piketty (2014) and Zucman (2026).

As discussed in section 5, using the UK data sets entailed several difficulties which have limited the accuracy of our work. Most notable is the lack of consistent data on savings propensities by class groups across the period, which Appendix C shows the model result to be highly sensitive to. A potential extension to the paper would be to apply this post-Kaleckian model to further economies, particularly those in the Global South. This could offer further insights into differences in the level of inequality between different regions.

In sum, our paper has shown that although our model presents a more nuanced story than that of Piketty, wealth inequality remains a pressing issue in the UK economy as in the 10 European economies analysed by Ederer and Rehm (2020a) and Hein, Marpe and Schütt (2025). This supports Piketty's warning that the continued rise of wealth inequality presents an existential threat to advanced capitalist economies.

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Appendix A: Model Calibration

Class-specific saving propensity is defined as:

$$s_i = \frac{Y_i - C_i}{Y_i} \quad (A.1)$$

Disposable income and expenditure are first aggregated over the NS-SEC groups allocated to each class, using the published household totals in their respective source datasets. For period 2 the household counts are calculated by taking the number of individuals per socioeconomic group and dividing it by the average household size of each socio-economic group reported by the Family Spending survey (ONS 2026b).

Table 11: Composition and calculation of capitalist saving propensity				
Period 1	FYE 2016	FYE 2017	FYE 2018	
Total Annual Expenditure, £000 (aggregated by households)	94,677,350	108,232,564 (+14%)	120,997,135 (+12%)	
Total Annual Disposable Income, £000 (aggregated by households)	121,075,626	141,974,388 (+17%)	167,225,128 (+18%)	
Capitalist Saving Propensity	0.22	0.24	0.28	
Period 2	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Total Annual Expenditure, £000 (aggregated by proxy households)	113,553,116 (-6%)	116,772,573 (+3%)	81,427,589 (-30%)	95,227,718 (+17%)
Total Annual Disposable Income, £000 (aggregated by proxy households)	177,449,368 (+6%)	197,526,081 (+11%)	173,832,536 (-12%)	186,257,346 (+7%)
Capitalist Saving Propensity	0.36	0.41	0.53	0.49
<i>Source: Author's calculations based on ONS (2026a-b).</i>				

Table 12: Composition and calculation of workers saving propensity				
Period 1	FYE 2016	FYE 2017	FYE 2018	
Total Annual Expenditure, £000 (aggregated by households)	480,384,113	498,624,779 (+4%)	511,587,963 (+3%)	
Total Annual Disposable Income, £000 (aggregated by households)	598,344,566	606,473,763 (+1%)	620,967,868 (+2%)	
Workers Saving Propensity	0.20	0.18	0.18	
Period 2	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Total Annual Expenditure, £000 (aggregated by proxy households)	533,039,482 (+4%)	546,530,821 (+3%)	468,889,116 (-14%)	498,717,385 (+6%)
Total Annual Disposable Income, £000 (aggregated by proxy households)	745,182,047 (+20%)	805,696,849 (+8%)	828,058,009 (+3%)	849,372,647 (+3%)
Workers Saving Propensity	0.28	0.32	0.43	0.41
<i>Source: Author's calculations based on ONS (2026a-b).</i>				

The profit share is calculated using gross operating surplus and gross mixed income relative to GDP at factor cost:

$$h = \frac{\text{Gross Operating Surplus} + \text{Gross Mixed Income}}{\text{GDP at factor cost}} \quad (\text{A. 2})$$

The capitalist wage share uses wages and salaries only, other forms of non-profit income such as cash benefits or benefits in kind are not included:

$$\alpha = \frac{W_R}{W_R + W_W} \quad (\text{A. 3})$$

Table 13: Distribution of total wage income								
	FYE 2016	FYE 2017	FYE 2018		FYE 2019	FYE 2020	FYE 2021	FYE 2022
Large employers/ higher managerial	0.08	0.11	0.11		0.11	0.10	0.10	0.12
Higher professional	0.23	0.23	0.23		0.20	0.22	0.24	0.28
Lower managerial and professional	0.34	0.32	0.35		0.32	0.32	0.34	0.29

Intermediate	0.08	0.08	0.07		0.08	0.08	0.08	0.08
Small employers	0.02	0.03	0.03		0.04	0.05	0.04	0.03
Lower supervisory	0.08	0.08	0.07		0.08	0.06	0.05	0.05
Semi-routine	0.06	0.06	0.06		0.07	0.06	0.06	0.05
Routine	0.07	0.05	0.05		0.05	0.06	0.04	0.05
Long-term unemployed	0.00	0.00	0.00		0.00	0.00	0.00	0.00
Students	0.01	0.01	0.01		0.01	0.01	0.00	0.01
Occupation not stated	0.03	0.03	0.02		0.04	0.04	0.01	0.05
Capitalist (Baseline)	0.11	0.14	0.15		0.16	0.16	0.14	0.15
Capitalist (Expanded)	0.35	0.38	0.38		0.37	0.39	0.40	0.44
Capitalist (Reduced)	0.09	0.11	0.11		0.11	0.10	0.10	0.13
<i>Source: Author's own calculations based on ONS (2026a-b)</i>								

Capital income generating assets are calculated using the same methodology as Hein, Marpe and Schütt (2025), whereby net financial assets plus net property wealth are considered as an income generating proportion of total wealth.

Table 14: Calculation of the Capital-income-generating-asset shares and current capitalist wealth share for FYE 2015 to FYE 2018				
Category of Wealth	FYE 2015-2016		FYE 2017-2018	
	Capitalist	Worker	Capitalist	Worker
(+) Gross financial assets excl. deposits	345,571,885,951	611,126,969,739	327,163,474,685	685,244,724,909
(+) Deposits	135,978,325,145	593,900,924,145	160,512,351,644	696,731,672,642
(-) Financial liabilities	14,412,449,343	85,024,929,332	17,806,853,275	99,431,388,171
(+) Main residence value	892,837,114,568	3,649,323,056,136	1,000,734,989,238	4,154,645,805,762

(-) Main residence debt	142,439,309,134	738,312,715,278	176,337,778,237	790,618,957,239
(+) Other property value	258,217,955,429	543,748,647,473	319,362,563,675	608,174,522,059
(-) Other property debt	57,751,746,284	133,059,864,679	53,237,646,759	119,525,420,303
CIGA Wealth	389,186,336,619	198,478,107,923	399,143,760,090	283,843,481,255
Total Net Wealth	1,418,001,776,333	4,441,702,088,204	1,560,391,100,971	5,135,220,959,659
CIGA Share	0.27	0.04	0.26	0.06
Total Class Net Wealth	5,859,703,864,537		6,695,612,060,631	
Current capitalist wealth share	0.24		0.23	
Source: Author's calculations based on ONS, Social Survey Division (2026).				

Table 15: Calculation of the Capital-income-generating-asset shares and current capitalist wealth share for FYE 2019 to FYE 2022				
Category of Wealth	FYE 2019-2020		FYE 2021-2022	
	Capitalist	Worker	Capitalist	Worker
(+) Gross financial assets excl. deposits	336,884,620,440	889,388,779,093	260,647,217,723	832,534,874,256
(+) Deposits	181,594,689,727	701,220,871,636	163,619,812,171	839,643,296,891
(-) Financial liabilities	21,540,595,559	104,957,919,485	17,564,505,313	121,703,779,948
(+) Main residence value	1,113,928,577,558	4,391,737,225,268	1,031,675,448,165	4,554,886,607,131
(-) Main residence debt	199,772,975,341	829,858,351,178	167,823,666,554	841,869,509,314
(+) Other property value	298,028,043,652	712,558,231,570	244,004,254,881	728,363,435,417
(-) Other property debt	54,514,495,460	125,330,682,190	53,476,569,138	176,642,611,680
CIGA Wealth	359,084,597,732	541,800,057,811	265,786,731,601	420,682,408,731
Total Net Wealth	1,654,607,865,017	5,634,758,154,715	1,461,081,991,936	5,815,212,312,754
CIGA Share	0.22	0.10	0.18	0.07
Total Class Net Wealth		7,289,366,019,731	7,276,294,304,690	
Current capitalist wealth share		0.23	0.20	
Source: Author's calculations based on ONS, Social Survey Division (2026).				

Appendix B: Sensitivity Analysis; Including Business Wealth

Table 16: UK Calibrated model parameters including Business Wealth						
Year	s_R	s_W	h	γ_R	γ_W	α
FYE 2016	0.22	0.20	0.45	0.48	0.11	0.11
FYE 2017	0.24	0.18	0.45	0.43	0.10	0.14
FYE 2018	0.28	0.18	0.46	0.43	0.10	0.15
FYE 2019	0.36	0.28	0.45	0.31	0.12	0.16
FYE 2020	0.41	0.32	0.45	0.31	0.12	0.16
FYE 2021	0.53	0.43	0.45	0.66	0.09	0.14
FYE 2022	0.49	0.41	0.45	0.66	0.09	0.15
<i>Source: Author's calculations based on ONS (2026a-b), ONS (2025) and ONS, Social Survey Division (2026).</i>						

Table 17: Observed and calibrated long-run capitalist wealth shares including Business Wealth					
Year	Capitalist share of population	Observed z	Unstable z^{**}	Stable z^{**}	Stable $z^{**} - z$
FYE 2016	0.13	0.29	-0.05	0.43	0.14
FYE 2017	0.14	0.27	-0.05	0.52	0.25
FYE 2018	0.14	0.27	-0.05	0.58	0.31
FYE 2019	0.15	0.25	-0.12	0.46	0.21
FYE 2020	0.15	0.25	-0.12	0.45	0.20
FYE 2021	0.14	0.37	-0.03	0.53	0.16
FYE 2022	0.14	0.37	-0.03	0.53	0.16
<i>Source: Author's calculations using the parameter sources reported in Table 16; observed wealth and population shares based on ONS, Social Survey Division (2026). Differences are calculated from underlying unrounded values before being rounded.</i>					

Including business wealth in total wealth and CIGA calculations increases the differential between the CIGA shares of capitalists and workers and the current wealth share of capitalists,

thus increasing equilibrium wealth ownership. The fall in z^{**} between FYE 2018 and 2019 reflects the shift in savings rate calibration, whereas the jump upwards from FYE 2020 to 2021 reflects a change in the valuation of business assets by the WAS (Delestre and O'Brien, 2026). However, looking at the micro data revealed that the sudden increase in z and z^{**} in 2021 is driven by a substantial increase in the business wealth of small employers, whereas the business wealth of large employers and higher managerial collapses. As this seemed logically inconsistent with past samples of the WAS and with ownership dynamics, we decided to follow other studies which use the WAS in excluding this data from our baseline results (Advani, Bangham and Leslie 2021; Bourquin, Brewer and Wernham, 2023; Delestre and O'Brien, 2026).

Appendix C: Sensitivity Analysis; Holding Savings Propensity post-2018 Constant

A sensitivity analysis holding savings propensities at the same level as before the change in calibration from the ONS confirms that the shift in calibration underestimates z^{**} relative to the previous methodology. As can be seen below, holding s_R and s_W constant leads the equilibrium wealth share to remain close to its 2018 level.

Table 18: UK Calibrated model parameters with fixed FYE 2018 savings propensities						
Year	s_R	s_W	h	γ_R	γ_W	α
FYE 2016	0.22	0.20	0.45	0.27	0.04	0.11
FYE 2017	0.24	0.18	0.45	0.26	0.06	0.14
FYE 2018	0.28	0.18	0.46	0.26	0.06	0.15
FYE 2019	0.28	0.18	0.45	0.22	0.10	0.16
FYE 2020	0.28	0.18	0.45	0.22	0.10	0.16
FYE 2021	0.28	0.18	0.45	0.18	0.07	0.14
FYE 2022	0.28	0.18	0.45	0.18	0.07	0.15
<i>Source: Author's calculations based on ONS (2026a-b), ONS (2025) and ONS, Social Survey Division (2026).</i>						

Table 19: Observed and calibrated long-run capitalist wealth shares with fixed FYE 2018 savings propensities					
Year	Capitalist share of population	Observed z	Unstable z^{**}	Stable z^{**}	Stable $z^{**} - z$
FYE 2016	0.13	0.24	-0.03	0.47	0.23
FYE 2017	0.14	0.23	-0.04	0.53	0.30
FYE 2018	0.14	0.23	-0.04	0.59	0.36
FYE 2019	0.15	0.23	-0.14	0.52	0.29
FYE 2020	0.15	0.23	-0.14	0.52	0.29
FYE 2021	0.14	0.20	-0.11	0.52	0.32
FYE 2022	0.14	0.20	-0.11	0.53	0.33

Source: Author's calculations using the parameter sources reported in Table 3; observed wealth and population shares based on ONS, Social Survey Division (2026). Differences are calculated from underlying unrounded values before being rounded.