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Assets Matter: Social Mobility for Black and Asian People Curbed by Lack of Assets

Up to 60% of Black and Asian people have **no savings at all**, reveals a new research report by the Runnymede Trust.

The report, published today, highlights how tough policy decisions will have to be made to ensure that all people, regardless of ethnicity, have the assets to fulfil their potential.

Last week's report from the National Equality Panel found that average household asset wealth among white families was £221,000, while the figures for Black African and Bangladeshi groups were only £21,000 and £15,000 respectively.

The report 'Why Do Assets Matter?' explains wealth holdings for different ethnic groups, as well as for women, and argues that policy should do more to build up assets for everyone.

Dr Rob Berkeley, Director of Runnymede, says:

Wealth, and their relationship to it, preoccupies very many people in the UK today. But whatever people's lifetime aspirations and expectations, in reality very few ever acquire significant assets. We can and should do better to ensure that everyone has access to assets, especially those who currently lack them, to make social mobility a reality in the UK.

While income inequality in the UK attracts more attention, asset inequality outstrips it in significance. The National Equality Panel found that whereas the top 10% of families in the UK have asset wealth in excess of £850,000, the bottom 10% of families can lay claim to less than £9000 worth of assets – nearly 100 times less.

The lifetime consequences for people who do not have assets and do not accumulate assets as they age are wide ranging and have serious knock-on effects. These include:

- Limited access to higher education
- Lack of options in choosing your first job
- Limits to the amount of time you can devote to childcare
- Decreased capacity for buying or renting a property of your choice

- Restricted ability to travel, socialise, or have a fulfilling retirement
- Problems with access to affordable credit

Yet for many, the notion of saving with a purpose has lost its meaning since credit has taken over as the way of paying for key purchases, even very expensive ones. The consequence of this balloon of borrowing is a mountain of debt. Since 2008 we have become more concerned about the size and security of these debts – and of the wider financial system – as their effects on our economy have become clearer. Now would be a good time for politicians to seriously examine the value of promoting savings and asset building, to support a more solid future for all, including Black and minority ethnic people.

With this purpose in mind, our report examines, in some detail, who has assets and who does not. It discusses the variety of reasons why assets matter, both socially and financially. And it proposes ways to increase asset-holding so that everyone in the UK has a better chance of realising their aspirations and participating in a more socially responsible and successful multi-ethnic British society.

Notes to Editors

- 1) The report *Why Assets Matter*, and an executive summary of this report, will be separately published on Monday 1 February 2010 and available online from www.runnymedetrust.org
- 2) If journalists would like to speak about the findings or receive an advance copy of the report or executive summary, please contact the author of the report, Dr Omar Khan, at omar@runnymedetrust.org, on 020 7377 9222, or (outside of office hours) on his mobile: 07738 222302
- 3) Runnymede (www.runnymedetrust.org) is an independent policy research organisation focusing on equality and justice through the promotion of a successful multi-ethnic society. Founded as a Charitable Educational Trust, Runnymede has a long track record of policy research, working in close collaboration with eminent thinkers and policy makers in the public, private and voluntary sectors. Since 1968, the date of Runnymede's foundation, it has worked to establish and maintain a positive image of what it means to live affirmatively within a society that is both multiethnic and culturally diverse. Runnymede continues to speak with a thoughtful and independent public voice on these issues today.
- 4) This report was funded by the Equality and Human Rights Commission.
- 5) This research is part of Runnymede's wider *Financial Inclusion* programme, which focuses on how best to ensure that Black and minority ethnic people are financially included, and the wider effects this has on participation in Britain's social, political and economic institutions.